Federal Bureau of Investigation

United States Department of Justice

Washington Field Division, Room 2266,
Washington, D. C.

November 27, 1937.

Mr. J. Edgar Hoover,
Director,
Federal Bureau of Investigation,
Washington, D. C.

PERSONAL AND ~~CONFIDENTIAL~~

Dear Mr. Hoover:

While in conversation with Mr. Roger Robb, Assistant United States Attorney, Washington, D. C., I learned that MARY KRIEGER who was previously acquitted in the District Court for alleged extortion having been involved in blackmailing MR. CARROLL PIERCE, now deceased, is alleged to be laying the foundation to blackmail MRS. EVELYN WALSH McLEAN. No doubt, you will recall this case as it was given considerable publicity at the time.

According to the information I have, Mary Krieger is a well known blackmailer. She has a daughter about sixteen years of age. The latter was recently observed by a hotel clerk soliciting men. I do not know the name of the clerk nor the name of the hotel. However, the information is regarded as authentic. It is further believed that Mrs. McLean is assisting the daughter in securing an education and that Mary Krieger has had some close contacts with Mrs. McLean; that this is all a "build up" and that the Krieger woman is getting ready to pull one of her extortion schemes on Mrs. McLean.

I obtained information from Mr. Robb who tried the Krieger case in District Court that this woman is notorious and that she has been involved in a great many blackmail schemes and would not hesitate a moment to blackmail Mrs. McLean when the opportunity presents itself.

I am further informed that insurance companies have issued a circular containing Mrs. Krieger's photograph, description and method of operation which has been widely distributed.

I was unable to obtain any additional information, however, knowing that you are a close friend of Mrs. McLean, I thought possibly you would want to personally advise her that Mary Krieger is a well known blackmailer and extortionist.

RECORDED & INDEXED

Sincerely yours,

F. M. Hickey

F. M. HICKEY,
Acting Special Agent in Charge.

FMH:MBL

62-33735-6

FEDERAL BUREAU OF INVESTIGATION

DEC 8 1937 P.M.

Mr. Nathan
Mr. Tolson
Mr. Baughman
Mr. Clegg
Mr. Coffey
Mr. Crowl
Mr. Egan
Mr. Foxworth
Mr. Glavin
Mr. Harbo
Mr. Hottel
Mr. Lester
Mr. McIntire
Mr. Naughton
Mr. Nichols
Mr. Pennington
Mr. Schilder
Mr. Tamm
Mr. Tracy
Miss Gandy

TOLSON TAMM EVANS Miss Gandy

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Nichols

DATE: October 27, 1953

FROM : M. A. Jones

SUBJECT: U. S. SENATE SUBCOMMITTEE [illegible]
OF THE JUDICIARY TO INVESTIGATE
JUVENILE DELINQUENCY

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winterrowd
Tele. Room
Holloman
Sizoo
Miss Gandy

Reference is made to your conversation on October 20, 1953, with Mr. Herbert Hannoch, Chief Counsel, Senate Subcommittee on Juvenile Delinquency. Hannoch said, among other matters, existing committees of all sorts looking into juvenile delinquency in Washington, D. C., were not trusted by him and a new committee would be announced. The Washington Star, issue of October 22, 1953, reported that Senator Robert C. Hendrickson (Repub.-New Jersey) on that day named six civic leaders in Washington, D. C., as an advisory group to aid his Senate Juvenile Delinquency Committee in its District of Columbia investigation. The following were listed as this advisory group, and included are pertinent details from Bureau files and biographical sources.

ROGER ROBB, CHAIRMAN:

Robb was born July 7, 1907, in Vermont and received an A.B. and LL.B. degree from Yale University. He served as Assistant United States Attorney, District of Columbia, 1931-38, and is affiliated with a law firm. He and Mrs. Robb have toured the Bureau's facilities and our files reflect a number of cordial contacts with him. On March 21 and 28, 1949, he wrote the Director commendatory letters on the Bureau's stand concerning the Yale Law Journal article on the loyalty program. In March, 1948, the press reported Robb, a vice president of the District Bar Association, had testified before a Senate Judiciary Subcommittee against the nomination for Associate Justice of Edward A. Tamm. Mr. Robb based his objection on the ground the FBI was not equivalent to the practice of law.

MRS. A. CARRINGTON JEWELL:

Bureau files are negative. The Washington Star of October 22, 1953, described her as a teacher in the District school system, graduate nurse and former president of the National Council of Negro Women. She is apparently active in civic groups, Washington, D. C.

8 ENCL.

Attachment

AG:rm

62-100218-9

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EX-112

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PERS. FILES

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Nichols

DATE: October 23, 1953

FROM : M. A. Jones

SUBJECT: MRS. A. CARRINGTON EWELL

Tolson
Ladd
Nichols
Belmont
Clegg
Glavin
Harbo
Rosen
Tracy
Gearty
Mohr
Winterrowd
Tele. Room
Holloman
Sizoo
Miss Gandy

The Washington Star of October 22, 1953, reflects Mrs. Ewell is one of six civic leaders named by Senator Hendrickson of New Jersey to advisory committee to study the problem of juvenile delinquency in Washington. This report mentions Mrs. Ewell is a teacher in the District school system, graduate nurse and former president of the National Council of Negro Women. The Washington Post for October 23, 1953, describes Mrs. Ewell as former president of the National Council for Negro Women, a District school teacher, who is active in work of the Federation of Citizens Associations, the Instructive Visiting Nurses Society, the League of Women Voters and the Washington Housing association.

Mrs. Ewell is not identifiable in Bufiles nor do Bureau Library sources contain any identifiable biographical data concerning her.

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institution, 1945. An informant advised this corporation was headed by a Trotskyite and was a socialist group. It ceased functioning in 1948. King testified against the nomination of Mr. E. A. Tamm in 1948 on the ground Mr. Tamm's experience was that of an investigator rather than in the practice of law.

Re Mr. Herbert Hannoch, Bureau files reflect he was born in Newark, New Jersey, August 28, 1890. He received an LL.B. degree in 1910 from the New York University Law School and is a member of a law firm in Newark. Bureau files reflect no derogatory information concerning Hannoch.

The above summarized information is reflected in the individual summary memoranda prepared on these individuals dated October 23, 1953, attached.

MEMORANDUM RE: HERBERT J. HANNOCH October 23, 1953

PURPOSE:

Senator Hendrickson, Republican of New Jersey appointed Civic Leaders to help his Senate Juvenile Delinquency Subcommittee in its District investigation. Herbert J. Hannoch was appointed Chief Counsel of this subcommittee. You requested a summary memorandum on this individual.

BACKGROUND:

Hannoch was born in Newark, New Jersey, on August 28, 1890. He graduated from New York University Law School and received an LL. B. degree in 1910. He was admitted to practice in New Jersey in 1911. He is a member of the Essex County Bar Association and was president in 1934; he is also a member of the American Bar Association. At the present time, he is a member of the law firm of Hannoch, Lasser, Weinstein and Myers, 17 Academy Street, Newark, New Jersey. (Martindale-Hubbell Law Directory, 1953)

Mr. Nichols in a memorandum to Mr. Tolson dated October 21, 1953, advised that Mr. Hannoch, the Chief Counsel of the Senate Subcommittee on Juvenile Delinquency stated on October 20, 1953, that he had a very successful tax and corporate practice in New Jersey and is a life-long friend of Senator Hendrickson of New Jersey.

INFORMATION IN BUFILES:

A summary memorandum was prepared on Mr. Hannoch on August 21, 1953, when it was learned that he would be a member of the Senate Juvenile Delinquency Subcommittee. This summary contained no derogatory information concerning Mr. Hannoch. (62-100218-1) An up-to-date review of Bufiles failed to reflect any derogatory information regarding Hannoch.

In December, 1942, Hannoch confidentially furnished information to the Newark Office concerning Dr. Eugene Victor Parsonnet, surgeon who has been reported to be a Communist Party member and is a Security Index Subject of the Newark Office. At the time of his interview, Hannoch was described as an Attorney of the Beth Israel Hospital and Chairman of the Medical Committee in charge of the appointment of physicians to the staff of the Beth Israel Hospital. He was reputed to be a trustworthy,

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[redacted]

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reliable citizen who was well regarded in Newark. In this regard it was noted that Dr. Parsonnet had been affiliated with the Beth Israel Hospital and Dr. Parsonnet's father and father-in-law had been founders of the hospital. (100-173168-1,7)

In June, 1938, when Judge William Clark was being investigated by the Bureau prior to his appointment as United States Circuit Court of Appeals Judge, one person interviewed concerning Clark suggested to the interviewing agent that he interview Herbert J. Hannock, describing Hannock as a prominent Newark Attorney. No reference was found to Hannock's having been interviewed in this regard. (62-21186-20)

October 23, 1953

RE: ROGER ROBB

SYNOPSIS:

Robb was born July 7, 1907, at Bellows Falls, Vermont. Received A.B. (1928) and LL.B. (1931) from Yale University. Served as Assistant United States Attorney, District of Columbia, 1931-38; Associate Counsel, Special Committee of House of Representatives to Investigate National Labor Relations Board, 1939-40. Vice President of the Washington Criminal Justice Association, a trustee of United Community Services and a former member of the Juvenile Court Advisory Committee. Files reflect a number of cordial contacts with Robb over the years. Has visited Bureau several times. Congratulated the Director on Director's reply to article criticizing Bureau in Yale Law Journal (1949) written by Thomas I. Emerson. Testified, in his capacity as Vice President of the District Bar Association, against nomination of Edward A. Tamm to be Associate Justice of the District Court (1948). Furnished information to Bureau in 1947, as Attorney of Washington Post, about remarks of Chief of Police Barrett to effect that officials of Post were "bunch" of Communists and that he, Barrett, had obtained data from the FBI.

RECOMMENDATION:

None, for your information.

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62-1[illegible]-9

October 23, 1953

DETAILS:

Biographical Data:

Martindale-Hubbell Law Directory (1953) reflects that Robb was born July 7, 1907, at Bellows Falls, Vermont. He received an A.B. degree (1928) and an LL. B. (1931) from Yale University. He was admitted to the District of Columbia Bar in 1931 and subsequently served as Assistant United States Attorney, District of Columbia, 1931-1938; Associate Counsel, Special Committee of House of Representatives to Investigate National Labor Relations Board, 1939-1940. He is a member of the Bar Association of the District of Columbia, the American Bar Association and The Barristers of which he was President in 1946-1947. He is affiliated with the law firm of Bingham, Collins, Porter and Kistler.

The Washington Star (October 22, 1953) reflected that Robb had been named to head an advisory group to the Senate Juvenile Delinquency Subcommittee. He was identified as being Vice President of the Washington Criminal Justice Association, a trustee of United Community Services and a member of its Corrections Section and a former member of the Juvenile Court Advisory Committee.

INFORMATION IN BUFILES:

Contacts with the Bureau:

The files reflect a number of cordial contacts with Robb over a number of years. He has toured the Bureau's facilities several times, as has Mrs. Robb. (66-1631-10-393; 94-2-19396X; 94-2-19987X; 66-1631-10-2380X; 66-1631-10-2327 and 94-2-8226) He has also furnished the Bureau information from time to time.

In 1936 in connection with a Washington, D. C., murder case involving William A. "Dutch" Kappell, the SAC, Washington Field Office commented that Assistant United States Attorney Robb was a friend of the Bureau in every respect and had on many occasions given evidence of his readiness to cooperate with Agents of the Bureau to the fullest extent. (62-44864-2)

October 23, 1953

On November 3, 1947, Mr. Robb, acing as an attorney for the Washington Post, called on the SAC, Washington Field Office and furnished information to the effect that he had learned that Chief of Police Barrett, in a police department meeting, had stated that officials of the Post were a "bunch" of Communists and that he, Barrett, had obtained data from the FBI. At that time, SAC Hottel described Robb as a personal acquaintance. (100-350813-11)

On March 21, 1949, Robb wrote the Director to congratulate him on his reply to the article which had appeared in the Yale Law Journal written by Thomas I. Emerson. He added that Emerson's article, as the Director pointed out, was full of half-truths, distortions, and unfair insinuations. On March 24, 1949, the Director replied, expressing his thanks. Robb, in another letter, commented that the Director had "nailed Mr. Emerson very firmly to the barn door." (94-34122-56; 94-34122-55)

OTHER DATA IN BUFILES:

The Washington Post of August 26, 1947, reported that Roger Robb was serving as attorney for Julius Willie Clegg, a Negro war veteran and employee of the Washington Post, who accused police of holding him without charges for thirty-four hours and beating him at Detective Bureau headquarters. (62-75147-53A)

Roger Robb, Tower Building, Washington, D. C., was listed as one of the attorneys for George Sylvester Viereck in the sedition case, United States versus Gerald B. Winrod, et al, in 1943. (65-4832-220)

An article in the Washington Post, March 31, 1948, reflected that Roger Robb, a Vice President of the District Bar Association, had testified, among others, before a Senate Judiciary Subcommittee against the nomination of Edward A. Tamm, a former Assistant to the Director, to be Associate Justice of the District Court. The District Bar Association had voted to oppose Mr. Tamm on the ground that he was not qualified to be a District Court Judge, and Mr. Robb questioned the fact that work in the FBI was the equivalent of practicing law. (61-10711-522)

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October 23, 1953

In 1949, Robb was one of the Washington, D. C., attorneys of Fred N. Howser, Attorney General of California, in connection with Howser's civil suit against columnist Drew Pearson. In this connection, on July 21, 1949, Assistant Director Rosen advised that Robb was known to him and that Robb seemed alert, forthright and was certainly a plugger. (77-442-40, 64)

The records of the Criminal Clerk's Office, United States District Court, District of Columbia, reflect that on March 6, 1951, the court appointed one Roger Robb to appear in behalf of Earl Browder, who was charged with contempt of Congress. (40-3798-599)

In the case [redacted] et al., Espionage - R and AU," it was reflected that Robb was appointed (without compensation) as attorney for [redacted] In April, 1953, [redacted] was interviewed by Bureau Agents in the presence of Robb. The Agents reported that throughout the entire interview they had the unqualified cooperation of Robb. [redacted] 1303)

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The hearings before the Special Committee to Investigate Organized Crime in Interstate Commerce, United States Senate (1951) reflected that an individual by the name of Herman Orman was questioned by the Committee. At first he did not have counsel, but subsequently, he was accompanied before the Committee by Roger Robb, who identified himself as a member of the Bar in Washington and Orman's attorney. (Herman Orman's residence in Atlantic City, New Jersey). Robb indicated that he had never seen Orman until that morning and knew nothing about the case. (62-91933-781)

A Dr. Roger Robb, identified as Vice Chairman of the Washington Willkie Committee, spoke at the Second Annual Youth Conference held in Washington on November 1-2-3, 1940. Other speakers included Albert E. Blumberg, Executive Secretary of the Communist Party for Maryland and the District of Columbia, and Dr. Doxey Wilkerson. (100-3587-127, pages 64-66) (He, Robb, was also listed as Mr. Robb).

October 23, 1953

RE: G. HOWLAND SHAW

SYNOPSIS:

According to news story in "The Evening Star" for October 22, 1953, Senator Robert C. Hendrickson (Rep. - N.J.) had on that day named six advisors for the Senate Subcommittee on Juvenile Delinquency. According to the article, one of these advisors named by Hendrickson was G. Howland Shaw, former Assistant Secretary of State. Shaw born June 15, 1893, at Boston, Massachusetts. Well known for his work with youth and lectures on juveniles throughout the United States. Served for many years with the State Department at various diplomatic posts abroad and was Executive Assistant to the Secretary of State in 1920. Appointed Assistant Secretary of State and Chairman of the Foreign Service Personnel Board. Shaw is Director of National Conference of Juvenile Agencies; National Committee for Mental Hygiene and National Conference of Christians and Jews. Has never been investigated by the Bureau. Shaw has appeared before each Session of the FBI National Academy since April, 1944, and lectures on the topic "Working With Juveniles." Bureau relations with Shaw have always been excellent and Shaw good friend of Bureau. In May, 1952, was awarded certificate by Bureau for completion of eight years of service as an Instructor at National Academy. In January, 1953, was appointed by President Truman and Secretary of State Acheson as a member of a panel to hear and pass on loyalty of John Carter Vincent. On March 5, 1953, we initiated Special Inquiry investigation for White House concerning one [redacted]. During course of investigation we received numerous allegations that [redacted] was a homosexual but never verified by investigation. In connection with investigation of [redacted] one [redacted] formerly employed as a code clerk for Department of State, was interviewed concerning [redacted]. In course of this interview [redacted] stated that [redacted] was a very close friend of G. Howland Shaw, former Department of State employee, who [redacted] believed was fired for homosexual activities. No verification of this in Bureau files.

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RECOMMENDATION:

None, for information.

October 23, 1953

DETAILS:

In a news story carried in "The Evening Star" on October 22, 1953, it was stated that Senator Robert C. Hendrickson (Rep. - N. J.) had on that day named six advisors to the Senate Subcommittee studying juvenile delinquency. One of these advisors was identified as G. Howland Shaw, who according to the article was a former Assistant Secretary of State, President of the District Mental Health Association, a member of the Junior Police and Citizens Corps and the Bureau of Rehabilitation.

G. Howland Shaw was born on June 15, 1893, at Boston, Massachusetts. He holds an A.B. degree awarded by Harvard in 1915 and an A.M. degree received in 1917. Holy Cross College awarded him an LL.D. degree in 1943. Mr. Shaw is unmarried and is well known for his work with youth and lectures on juveniles throughout the United States. He was appointed Assistant to the Counsellor of the United States Department of State in 1917 and served in various diplomatic posts abroad. He was on the American Committee to Negotiate Peace which met at Paris in 1919. He was Executive Assistant to the Secretary of State in 1920; attended the Lausanne Conference in 1923, and after his return from various assignments became Chief of the Division of Foreign Service Personnel for United States Department of State in 1937. He held this position until 1941 at which time he was appointed Assistant Secretary of State and Chairman of the Foreign Service Personnel Board and a member of the Board of Examiners for the Foreign Service and the Foreign Service School Board.

He has served on the Board of Trustees and as a member of Board of Visitors for the National Training School for Boys, the Childrens' Village at Dobbs Ferry, New York, the Board of Managers at Lincoln Hall. He also served as President of the American Prison Association from 1941 to 1942 and has served as President of the Osborne Association, worked for the National Conference of Catholic Charities, the Industrial Areas Foundation, and the Bureau of Rehabilitation.

Mr. Shaw also is a Director of the National Conference of Juvenile Agencies, Director of the Prison Association of New York, the National Probation Association, the Boys' Clubs of New York, the National Committee for Mental Hygiene, the National

October 23, 1953

Conference of Christians and Jews and is a member of the American Foreign Service Association. Mr. Shaw is a Phi Beta Kappa and in 1945 he was awarded the Laetare Medal by Notre Dame University (Who's Who in America 1952-53; 62-26225-475).

We have never conducted any investigation concerning G. Howland Shaw.

Shaw has appeared before each Session of the FBI National Academy since April, 1944, and lectures on the topic "Working With Juveniles." His discussions in his lectures are reported to be interesting, although in many instances class members are not in complete agreement with some of his thinking regarding the handling of juveniles. Mr. Shaw has remarked on many occasions that his appearances before the Academy have considerably broadened his viewpoint in the field of juvenile delinquency.

The Bureau's relations with Shaw have always been excellent, and he is a good friend of the Bureau. On May 5, 1952, he was awarded a certificate by the Bureau for the completion of eight years of service as an instructor at the National Academy. (62-77223-60).

In January, 1953, Shaw was one of five individuals appointed by President Truman and Secretary of State Acheson as a new panel to hear and pass on the loyalty of John Carter Vincent. Other members of this panel were Judge Learned Hand, John J. McCloy, James Grafton Rogers and Edwin Carleton Wilson. (62-77223-65).

On March 5, 1953, we initiated investigation in a Special Inquiry type of case for the White House on one [redacted]. During the course of the investigation in this case we received numerous allegations that [redacted] was a homosexual, but the allegations were never verified. In connection with this investigation one [redacted] who had formerly been employed as a code clerk for the Department of State at foreign posts where [redacted] had served was interviewed. In the course of this interview concerning [redacted] stated that [redacted] was a very close friend of G. Howland Shaw, former Department of State employee, who he, [redacted] believed was fired for his homosexual activities. Bureau files fail to reflect any further information concerning this allegation. (77-56600-36). Shaw was interviewed in connection with this investigation and highly recommended [redacted].

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October 23, 1953

RE: DR. VICTOR J. TULANE

The October 22, 1953, edition of the Washington "Evening Star" carried an article on page one reflecting that Senator Hendricksen had appointed a group of six civic leaders to advise the Senate Sub-committee on Juvenile Delinquency about the problem of juvenile delinquency in Washington, D. C. Included in this group was Dr. Victor J. Tulane, a professor at Howard University, who was further described as general manager of the United Community Services Corrections Section, vice president of the Bureau of Rehabilitation, member of the executive committee of UCS and president of the board of managers of the Twelfth Street YMCA.

Bureau files contain no pertinent information concerning Dr. Tulane.

[redacted]

28 DEC [redacted]

~~cc Mr. Nichols~~

EPB:jmd:les

[redacted]

[redacted] 9

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Nichols

DATE: October 23, 1953

FROM : M. A. Jones

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SUBJECT: MEMORANDUM RE MILTON W. KING, MEMBER, ADVISORY GROUP TO SENATE SUBCOMMITTEE ON JUVENILE DELINQUENCY

SYNOPSIS:

Milton W. King, another member of this group, was born in Washington in 1890, educated at Princeton and Georgetown University Law School, admitted to D. C. Bar in 1915, and served as President of the D. C. Bar Association, 1943-44. He was an incorporator of National Institute of Social Relations, some other officers of which reportedly had Communist sympathies. He was a sponsor of Community Education, Inc., reportedly a Socialist group. He was an officer of Pro-Football, Incorporated, and Engineering and Research Corporation, Riverdale, Maryland, both investigated by the Bureau. None of these investigations reflect anything derogatory concerning King. He opposed nomination of former Associate Director Tamm for District Judge.

RECOMMENDATION:

None. For information only.

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Memo to Mr. Nichols October 23, 1953

DETAILS:

Milton W. King, a member of this group, is the former President of the District of Columbia Bar Association (1943-44). He was also President of the Washington Hebrew congregation and is the senior member of the law firm of King and Nordlinger. Martindale-Hubbell Law Directory, 1953, reflects he was born in 1890, received an AB degree from Princeton in 1912, an LLB degree from Georgetown University Law School in 1915, and was admitted to the bar in the District of Columbia the same year. He is a member of the American Bar Association.

Files reflect that in 1952, King was affiliated with the United Jewish Appeal. He was one of the incorporators of the National Institute of Social Relations, Inc., in 1946. There was no indication that that organization was attempting to disseminate Communist propaganda, but Communist affiliation or sympathies were reported on the part of several of its officers other than King. Milton King was also linked as a sponsor of Community Education, Inc., a non-profit educational institution, in 1945. An informant advised that it was headed by a Trotskyite, and was a Socialist group. It ceased functioning in 1948. In May, 1952, he called to invite the Director to address a group in support of the Joint Defense Appeal, representing a number of Jewish organizations. Mr. Nichols advised him that the Director found it necessary to decline because of pressure of official business (94-44862-2).

As a member of the Judiciary Selection Committee of the D. C. Bar Association, King testified before the Senate Judiciary Committee, on February 23, 1948, opposing the nomination of former Associate Director Tamm for District Judge on the grounds that Mr. Tamm's experience was as an investigator rather than with practice of law. (77-37864)

King was Secretary of Engineer Research Corporation, Riverdale, Maryland, in 1941, when that organization was being investigated in a Foreign Funds-G case. (100-56482) In 1951 he was Vice President and Secretary of Pro-Football,

GERMANY

Inc., owner of the Washington Redskins, then being investigated in connection with the anti-Trust investigation of Pro-Football and Baseball. (60-3722-196) Both of these, however, were merely business connections, and the investigations reflected nothing derogatory on King.

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SEARCH S

Supervisor Bilbrey Room 4228

Subj: Milton W. King

___Exact Spelling
___All References
___Subversive Ref.
___Mail File
___Restricted to Locality of

Searchers Initial
Date 10-22

FILE NUMBER	SERIALS
✓ 77-37864-19	
✓ 94-44862-2	
~~100-92320-551~~	
✓ 100-346917-6 p2	
~~62-78191-11~~	
✓ 60-3722-196	
~~65-6465-577~~	
✓ 100-56482-1	
~~Milton W. King~~	
~~121-4-15944~~ NI	
~~26-85709-1~~ NI	
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M.	
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SEARCH SLIP

Supervisor Long Room 4234

Subj: Milton Long

___Exact Spelling
___All References
___Subversive Ref.
___Mail File
___Restricted to Locality of

Searchers Initial mfe
Date

FILE NUMBER	SERIALS
~~43-3448-2~~	
~~NO-3443.93-6 6221~~	
~~94-2 [illegible]~~	NT
~~62-57011-2~~	ND
~~9X10-275~~	
~~65-37614~~	
Milton (mno)	
~~100-3443.93-6 6221~~	

Initialed

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. Nichols

DATE: October 23, 1953

FROM : M. A. Jones

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Belmont
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Glavin
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Rosen
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Mohr
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Tele. Rm.
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Gandy

SUBJECT: MEMORANDUM RE
ARTHUR MURRAY PRESTON

The Martindale-Hubbell Law Directory for 1953 indicates that Mr. Preston is a Washington attorney. He was born in Washington, D. C., on November 1, 1913, and received a Bachelor of Science degree from Yale University in 1935 and a Bachelor of Laws degree from the University of Virginia in 1938. He was admitted to the Virginia State Bar in 1937 and the District of Columbia Bar in 1939. From 1941 to 1946 he served as a Lieutenant Commander in the United States Naval Reserve. He is a member of the American Bar Association. He resides at Chevy Chase, Maryland, and has offices in the Hibbs Building.

Bufiles contain no information identifiable with Mr. Preston.

RECOMMENDATION:

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None. For information.

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G. HOWLAND SHAW:

Mr. Shaw was born June 15, 1893, at Boston, Massachusetts. He holds the degrees of A.B. and A.M. from Harvard University and an LL.D. degree from Holy Cross College. He is unmarried. Shaw has held positions with the United States State Department, was a former Assistant Secretary of State and has been active in various juvenile agencies, prison and probation committees and associations. The Bureau has never investigated him. He has often lectured on juvenile matters before the FBI National Academy. On May 5, 1952, he received a certificate from the Bureau for eight years' service as an instructor at the FBI National Academy. In January, 1953, he was one of five persons appointed to pass on the loyalty of John Carter Vincent. On March 5, 1953, the Bureau began a special inquiry investigation for the White House on one [redacted]. b6 b7C

[redacted] former code clerk in the Department of State, was interviewed concerning [redacted] b6 b7C stated [redacted] was a very close friend of G. Howland Shaw, former Department of State employee, believed by [redacted] to have been fired for homosexual activities. Bureau files fail to reflect further information re this allegation. Allegations that [redacted] was homosexual not verified in investigation. Shaw, interviewed re [redacted], gave favorable recommendation.

DR. VICTOR J. TULANE:

Bureau files negative. The Washington Star of October 22, 1953, described Dr. Tulane as a professor at Howard University.

A. MURRAY PRESTON:

Bureau files negative. Mr. Preston, Washington, D. C., attorney, was born in Washington, D. C., November 1, 1913. He was educated at Yale University and the University of Virginia.

MILTON KING:

King, practicing attorney in the District of Columbia, was born in 1890. He was educated at Princeton and The Georgetown University Law School. He was one of the incorporators of the National Institute of Social Relations, Inc., 1946. There was indication of Communist affiliation or sympathy on the part of several of its officers other than King. He was also linked as a sponsor of Community Education, Inc., a non-profit educational

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : MR. BOARDMAN

DATE: 2/15/58

FROM : Charles H. Schaefer

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy

SUBJECT: RICHARD A. MACK, Commissioner, FCC
BRIBERY

At 9:50 p.m., 2/14/58, Roger Robb called the writer at his home and advised that he was the attorney for Mack. He stated that he understood his client was to be interviewed by the FBI at 9:30 a.m., 2/15, and he wanted to be present in connection with the interview. He stated, however, that he and his client would not be available at 9:30 and suggested the interview be held at 2 p.m. 2/15/58.

He was advised that this matter would have to be checked into, and thereafter contact was had with you, at which time the writer was advised that Robb should be told his client had called the Bureau, stating he desired to cooperate with the FBI and furnish information, on the basis of which call he was interviewed at 11:30 a.m., 2/14/58. Robb was told that since his client had expressed a desire to cooperate, we would see him without counsel.

Robb said he would contact the writer before 9:30 a.m., 2/15/58. He did call the writer, at 9:40 a.m., and thereafter it was arranged that Mack would be interviewed at your office at 2 p.m., 2/15/58, without the presence of Mr. Robb.

CHS:CSH (5)

REC-17

58-4250-19

EX-135

58-4xxx

64 FEB 24 1958

1-29-51

WASHINGTON AND NEW YORK FROM WASH FIELD 29 2:45 PM

DIRECTOR & SAC, NEW YORK U R G E N T

WILLIAM WALTER REMINGTON, PERJURY. WFO FILES CONTAIN FOLLOWING INFO RE AYC ACTIVITIES IN NINETEEN FORTY. SUMMARY REPORT OF SA S. E. HUBBS DATED SEPTEMBER TWENTYNINE, FORTYONE AT CLEVELAND, PAGE FIVE, REFLECTS AYC SPONSORED MEETING AT WASH. D. C. CALLED NATIONAL CITIZENSHIP INSTITUTE FROM FEBRUARY NINE TO TWELVE, FORTY, AND THAT EXHIBIT ONE, SUBMITTED TO BUREAU, WITH REP, CONTAINED NAMES OF ONE HUNDRED TEN CLEVELANDERS ATTENDING THIS MEETING. REPORT OF SA P.F. KRIETHE, CHICAGO, PAGE THIRTYEIGHT, STATES THIS MEETING WAS HELD AT LABOR DEPT. AUDITORIUM ON ABOVE DATES. REPORT REFLECTS THE FEBRUARY TWENTYSIX FORTY ISSUE OF SOCIAL JUSTICE STATES THE YOUTHS BOOED PRES. ROOSEVELT WHEN HE ADDRESSED THEM AND THEY VENTURED TO CONDEMN SOVIET RUSSIA'S AGGRESSION IN FINLAND. THIS REPORT TRANSMITS A COPY OF THE PAMPHIET ENTITLED QUOTE THIS IS YOUTH SPEAKING UNQUOTE WHICH IS AYC'S REPORT OF MEETING. NY HAS COPIES OF ABOVE REPORTS AND WFO FILES DO NOT CONTAIN LATTER PAMPHIET. WFO FILES CONTAIN NO INFO THAT MRS. ROOSEVELT SPOKE AT THIS CONFERENCE. REREP SA M. J. CONNOLLY, DATED APRIL FIVE, FORTYONE AT WASH., PAGE SIXTYTWO, COPY OF WHICH IS AVAILABLE TO NY WHICH REFLECTS THAT SECOND ANNUAL YOUTH CONFERENCE WAS HELD NOVEMBER ONE, TWO & THREE, FORTY, AT WASH. D. C. THIS REPORT CONTAINS

RECORDED - 20 1735

INDEXED - 20 FEB 8 1951

PMR/wl
74-106

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135 DEC 18 1964

WILLIAM B. SPOFFORD, EXEC. SEC. OF CHURCH LEAGUE FOR INDUSTRIAL DEMOCRACY IN CONNECTION WITH QUOTE TOWN MEETING OF YOUTH UNQUOTE OF AYC. SPEAKERS WHO FOLLOWED WERE: CHAS. SKINN FLINT, YOUTH COUNCIL, HOWARD LEDERER, PRES., FEDERATION OF CHICAGO, FRED KELLER, NOT IDENTIFIED, THOMAS FLOYD, PRES. OF NAACP YOUTH COUNCIL, HARRIET RICKENS, NATIONAL B & P COUNCIL, YWCA, MARIE REED, CHAIRMAN OF COMMITTEE ON DISCRIMINATION, FRANCES WILLIAMS, ADMINISTRATIVE SECRETARY OF AMERICAN YOUTH CONGRESS WHO STATED IN PART QUOTE THE PRESIDENT IS PROSECUTING AMERICA AND MRS. ROOSEVELT HAS FORSAKEN AMERICAN YOUTH CONGRESS UNQUOTE; MONSIEUR MAX AUDICOURT, SEC. GEN. PARTY FOR DEMOCRATIC ACTION OF HAITI. MRS. ROOSEVELT NOT LISTED AS SPEAKER AND NO INDICATION SHE ATTENDED ANY OF MEETINGS.

HOTTEL

CONVENTION AT WASH. D. C. FEBRUARY SEVEN, EIGHT & NINE, FORTYONE ATTENDED BY APPROXIMATELY FIFTYEIGHT HUNDRED PEOPLE. MEETINGS ATTENDED BY AGENT CONNOLLY. AT MEETING AT TURNERS ARENA ON NIGHT OF FEBRUARY SEVEN SPEAKERS WERE, ONE FREDERICK V. FIELD, EXEC. SEC. OF AMERICAN PEACE MOBILIZATION, TOPIC QUOTE H. R. ONE SEVEN SEVEN SIX, KNOWN AS LEND LEASE BILL UNQUOTE. TWO, JACK MCMICHAEL, CHAIRMAN OF AYC, TOPIC QUOTE LEND LEASE BILL UNQUOTE. THREE, JOHN P. DAVIS, EXEC. SEC. NATIONAL NEGRO CONGRESS, TOPIC QUOTE LEND LEASE BILL UNQUOTE. FOUR, ED STRONG, EXEC. SEC. SOUTHERN NEGRO YOUTH CONGRESS, TOPIC QUOTE JIM CROW IAW UNQUOTE. FIVE, MICHAEL J. QUILL, PRES. TRANSPORT WORKERS UNION, NATIONAL COUNCIL OF AMERICAN PEACE MOBILIZATION, TOPIC, IN GENERAL HE URGED DEFEAT OF HR ONE SEVEN SEVEN SIX AND CRITICIZED PRESIDENT ROOSEVELT FOR TRYING TO GET US INTO WAR AND SPOKE WORDS OF PRAISE FOR VITO MARCANTONIO. SIX, REV. OWEN A. KNOX, TOPIC QUOTE LEND LEASE BILL UNQUOTE. MEETING ON MORNING OF FEBRUARY EIGHT, FORTYONE, HELD AT JOHN WESLEY CHURCH, ONE SIX ONE FIVE FOURTEENTH ST., N. W., SPEAKER, JACK MCMICHAEL, CHAIRMAN OF AYC, TOPIC QUOTE YOUTH AND THE NATION UNQUOTE. ON AFTERNOON OF FEBRUARY EIGHT, FORTYONE, MEETING ON WASH. MONUMENT GROUNDS ADDRESSED BY VITO MARCANTONIO TO EFFECT THAT HE WAS FIGHTING IN CONGRESS FOR THEIR PAREN AYC END PAREN CAUSE, ALSO THAT HE HAS INTRODUCED BILL TO APPEAL CONSCRIPTION. MEETING AT TURNERS ARENA ON SUNDAY, FEB. NINE, FORTYONE. IN MORNING SERMON DELIVERED BY REV.

MAIL SECTION
RECEIVED

NO INFO THAT MRS. ROOSEVELT SPOKE AT CONFERENCE. PRINCIPAL SPEAKERS WERE AS FOLLOWS: JACK MCMICHAEL CRITICIZED PRESIDENT ROOSEVELT FOR ADOPTING A PROWAR POLICY AND SUGGESTED AN AMERICAN YOUTH ACT TO PROVIDE CIVILIAN JOBS FOR YOUTHS; DR. DOXEY WILKERSON SPOKE ON DOING AWAY WITH POLL TAXING THE SOUTH; DR. ALBERT E. BLUMBERG, COMMUNIST CANDIDATE FROM MARYLAND, CRITICIZED BOTH ROOSEVELT AND WILKIE FOR THEIR WAR ATTITUDES; ROGER ROBB, SPOKE IN FAVOR OF WILKIE; MARJORIE EWING, SOCIALIST PARTY, SAID THAT ROOSEVELT WAS FOLLOWING IN FOOTSTEPS OF WOODROW WILSON AND THE SOCIALIST PARTY WAS AGAINST WAR; AND RUSSELL BALDERSON SPOKE IN FAVOR OF NYA AND CCC.. FOR FULL DETAILS SUGGEST NY REVIEW THIS FILE. ON PAGE FIVE FIVE OF SAME REPORT IT WAS STATED THAT MRS. ROOSEVELT HAD SEVERED CONNECTIONS FROM AYC PRIOR TO TOWN MEETING OF YOUTH HELD AT WASH. D. C. FEBRUARY SEVEN, EIGHT & NINE, FORTYONE AND THE AYC HELD LITTLE RESPECT FOR HER AT THAT TIME. THE ABOVE IS ALL PERTINENT INFO RE MRS. ROOSEVELT'S ASSOCIATIONS IN AYC FOR NINETEEN FORTY. ALL REPORTS WERE CAPTIONED AMERICAN YOUTH CONGRESS. AS OF POSSIBLE INTEREST A SUMMARY OF INFO IN WFO FILES CONCERNING AYC CONVENTION HELD FEBRUARY SEVEN DASH NINE, FORTYONE IN WASH. D. C. IS SET FORTH IN THE FOLLOWING: REPORT SA M. J. CONNOLLY DATED FEBRUARY EIGHTEEN FORTYONE AT WASH. D. C. ENTITLED QUOTE AMERICAN YOUTH CONGRESS, IS - C UNQUOTE WITH COPIES FOR BUREAU & ALL FIELD OFFICES IN CONTINENTAL US, REFLECTS FOLLOWING: AMERICAN YOUTH CONGRESS HELD ANNUAL CLOSED

0-19 (Rev. 10-29-57)

Justice Dept. Is Probing Activities of Goldfine

By David Wise

Herald Tribune Special

WASHINGTON, June 13.—Bernard Goldfine, friend of chief Presidential Assistant Sherman Adams, is currently under investigation by the criminal division of the Department of Justice, it was learned tonight.

The sixty-year-old Boston industrialist, whose hospitality and as-yet-unconfirmed gifts to Mr. Adams has erupted into a political furor, is already under investigation by a House subcommittee on charges that he received favored treatment from two Federal regulatory agencies because of his friendship with President Eisenhower's top adviser. Mr. Adams conceded Mr. Goldfine paid his hotel bills in Boston totaling $1,642, but flatly denied he sought preferred treatment for his friend.

Besides the House probe, it was learned, United States Attorney Paul W. Williams in New York has subpoenaed certain of Mr. Goldfine's books and records. Attorneys in the criminal section of Mr. Williams' office are handling the case. The United States Attorney's office is an arm of the Justice Department.

In addition, it was reliably reported that investigators for the House subcommittee probing Federal agencies have questioned officials of the Justice Department in Washington about a parallel investigation of Mr. Goldfine by the department here. It was reported that this investigation was centered in the office of United States Attorney Oliver Gasch in Washington.

A spokesman for Attorney General William P. Rogers declined official comment. However, the reports were not

See GOLDFINE—Pg. 4, Col. 3

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy

Hoffa
Goldfine

Are you making any investigations in Chicago?

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date JUN 14 1958

5/14/58 Mr. Rosen

ENCLOSURE

REC-84 58-3891-16

TO JUN 23 1958

EX-135

Goldfine

(Continued from page one)

denied by the Justice Department.

Meanwhile, Mr. Goldfine, who runs an empire of seventeen textile and real estate firms from his office at 35 Kneeland St., Boston, and his Chestnut Hill home, faced new difficulties in the form of a $675,000 damage suit filed at Boston Superior Court by a New York couple who claim he defrauded them.

In one action, Robert C. Baker asked damages of $375,000. In another, his wife, Elizabeth, sued for $300,000. The Bakers alleged that they invested $150,000 in Bruce Mark, Inc., on Mr. Goldfine's assurances that they would double their money.

The couple said they invested on the understanding that Bruce Mark, Inc., would buy control of Wilton Woolen Co. The Bakers said they lost their entire investment.

Probe in Boston

It was learned that the Justice Department investigation of Mr. Goldfine in New York is unrelated to the Bakers' suit against him.

In addition, Mr. Goldfine is under investigation by a Federal Court in Boston in a case also under scrutiny by the House probers because it involves the Securities and Exchange Commission.

John Fox, former publisher of the defunct "Boston Post," and attorney for a group of minority stockholders in the East Boston Co., one of Mr. Goldfine's realty enterprises, charged in Federal Court there April 16 that Mr. Goldfine "embezzled" $6,788,819 from the Boston Port Development Corp., East Boston's subsidiary.

Adams "In His Pocket"

Mr. Fox told the court:

"I also asked Mr. Goldfine how it was possible for him to keep embezzling, which he admitted he was doing, and how it was possible for him, how he dared to do this in the face of the regulations of the United States Securities and Exchange Commission.

"He told me that as long as he had Sherman Adams in his pocket he could do it."

Robert William Lishman, subcommittee counsel, said June 6 during a preliminary hearing on the activities of the two Boston firms that they had failed to file necessary reports with the S. E. C. The previous day, in opening two days of hearings in Boston, Rep. John Bell Williams, D., Miss., who was acting as chairman, said Mr. Goldfine had paid for hotel bills for Mr. Adams, which he called "a strong indication of the possibility of the use of political influence in connection with certain matters pertaining to or pending before" the Federal Communications Commission, the S. E. C. and the Federal Trade Commission.

Mr. Adams said yesterday he asked Gerald D. Morgan, special counsel to the President, to check with the S. E. C. after Mr. Goldfine had "complained about" the S. E. C.'s actions in the case. Mr. Adams said he took no further action.

Showdown Tuesday

The subcommittee will hold a hearing Monday on Mr. Adams' role in a wool mislabeling case before the F. T. C. against Mr. Goldfine. It has subpoenaed Mr. Goldfine's bookkeeper-assistant, Mildred Paperman, to hand over on Tuesday all of the industrialist's records since 1950, including expenditures made in behalf of Federal officials, and all other records of Mr. Goldfine since 1925.

Mr. Goldfine's attorney, Roger Robb, has agreed to turn over the records dealing with payments for officials, but has so far taken the position that any other records are not pertinent to the subcommittee's inquiry. A showdown on the issue is expected Tuesday. Miss Paperman has been warned by the subcommittee she faces possible contempt action unless she complies.

Office Memorandum • UNITED STATES GOVERNMENT

TO : L. V. Boardman

FROM : A. H. Belmont

DATE: July 7, 1958

Tyes:
1 - Mr. Boardman
1 - Mr. Belmont
1 - Mr. Nease
1 - Mr. Donahoe
1 - J. L. Handley
1 - W. C. Sullivan
2 - Mr. Dunn

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Dunn
Trotter
Clayton
Tele. Room
Holloman
Gandy

W. C. Sullivan

SUBJECT: DREW PEARSON RADIO BROADCAST
STATION WTOP, WASHINGTON, D. C.
6:45 P.M. JULY 5, 1958

The following items of interest were noted:

1-1
4-1

ITEM:

White House: President Eisenhower angrily lectured his Staff last week for pestering him over the Sherman Adams case. The Staff had merely reported that the clamor for Adams' resignation was increasing when President Eisenhower snapped he was too occupied with the Lebanon crisis to worry about Bernard Goldfine.

COMMENT:

For your information.

ITEM:

Capitol Hill: Senator Williams of Delaware (R) has warned the White House he would make a series of Senate speeches blasting Sherman Adams until Adams resigned.

COMMENT:

For your information.

ITEM:

Washington: The reason why Roger Robb admitted that Bernard Goldfine deducted gifts to Sherman Adams as a business expense was to head off the necessity of showing Goldfine's tax returns. Making Goldfine's returns available is a very important question being debated inside the White House. -

COMMENT:

For your information.

ORIGINAL FILED IN 94-8-3811-942

158-3811-
NOT RECORDED
169 JUL 16 1958

JUL 23 1958

UNITED STATES GOVERNMENT

TO : [illegible]

DATE: 7/7/58

FROM : L. V. BOARDMAN

SUBJECT: MISCELLANEOUS INFO CONCERNING
[illegible]
UNLAWFUL PUBLICATION OF THE
USE OF COMMUNICATIONS STATUTE

Tolson
Boardman
Nichols
Belmont
Mohr
Parsons
Rosen
Sullivan
Tamm
Trotter
Nease
Gandy

At 11:15 A.M. ASAC McAndrews called from WFO to advise that Attorney Robb representing Goldfine had just called stating he desired to make an official complaint of violation of the Unlawful Publication of the Use of Communications Statute (UPUC) in that the microphone installed by the Congressional Committee in Goldfine's room allegedly was so sensitive that both sides of telephone conversations conducted in Goldfine's room while the microphone was in position, could be detected. Robb said that the microphone had this sensitivity, according to Lloyd Furr, who McAndrews understood Robb to say was a member of the Investigative Staff of the Congressional Committee. Robb desired Agents to come to the Carlton Hotel where he was in the room of another of his clients to interview Furr and himself for the details.

I told McAndrews that Agents should not go to the Carlton Hotel but that if Robb or other persons have facts to warrant a complaint they should come to the office and furnish them there. I told McAndrews I did not understand how Furr could be a member of the Congressional Committee but that we should merely take the facts so that they could be referred for an appropriate legal opinion.

I subsequently called McAndrews and he advised that Robb ⇒ Furr ⇐ coming to the office to furnish details of the complaint. McAndrews said he had ascertained that Furr was an associate of Robb, rather than an investigator for the Congressional Committee.

I told McAndrews to get the facts and promptly give them to the Bureau so that we could furnish them to the Attorney General and the Assistant Attorney General in charge of the Criminal Division.

ACTION:

It would appear that Robb is attempting to stretch the facts to benefit his client. As soon as the details are secured they will be submitted to the Department as indicated above.

AHB:ush
(4)
cc: Mr. Rosen
Mr. Donohue

58-3-8991-
NOT RECORDED
JUL 10 1958

JUL 10 1958

SDE

ORIGINAL COPY FILED

137-72-4

20 JUL 17 1958

11:26 AM July 7, 1958

MEMORANDUM FOR MR. TOLSON
MR. BOARDMAN
MR. BELMONT
MR. ROSEN
MR. NEASE

I called the Attorney General to advise him of a development in the Bernard Goldfine case. I advised him Roger Robb, counsel for Goldfine, called our Washington Field Office and stated he wanted to make a formal complaint about the microphone which was found in Mr. Goldfine's hotel room inasmuch as the instrument used was so sensitive it could also be used to hear telephone conversations and he thought there was a violation of the Federal Communications Commission regulations. He asked that Agents come to his room at the Carlton Hotel where he had his client present.

I advised the Attorney General that our Washington Field Office was instructed not to do this, but if Mr. Robb wanted to make a complaint, he should come to the office and the information in turn would be submitted to the Department to determine whether or not there were grounds for an investigation if there appeared to be a violation of any Federal statutes. I advised the Attorney General I wanted him to know of this development in the event anyone should contact him.

The Attorney General agreed with the instructions given the field and advised we should stay out of it and if there is something which looks like a violation of law, then it should be investigated, but not otherwise.

The Attorney General also asked if Chairman Harris had made any complaint to the Bureau about his wire being tapped and I advised the Attorney General that he had not to us although he talked about this in the paper.

I advised the Attorney General that if Mr. Robb does come down and make a complaint, a memorandum will be sent to the Department.

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy

JUL 29 1958

Very truly yours,

EX-12

REC-8

John Edgar Hoover
Director

MAIL ROOM

I - Mr. Holloman
W. C. Sullivan

JEH:CDM (9)

C-19 (Rev. 10-29-57)

The Washington Merry-Go-Round

Robb Listened In On Bugged Room

By Drew Pearson

Here's more on that bugging of the Sheraton-Carlton Hotel room in the Goldfine case.

After the microphone was discovered, Lloyd Furr, the private detective hired by Goldfine's attorney, Roger Robb, handed his card to my assistant, Jack Anderson.

Pearson

"The next time you want a real professional job done," he said, "give me a ring."

He was right. Furr is a skilled professional and it now develops that both he and Mr. Robb were involved in an eavesdropping case in a hotel room on behalf of commentator Fulton Lewis Jr.

Mr. Robb was quite indignant the other night when he announced to the press that the Harris Committee had placed a microphone next to the door of Goldfine's public relations man, Jack Lotto.

"We are going to show you that the Committee has engaged in electronic eavesdropping," Robb announced, his cigar cocked at a jaunty angle.

Apparently he forgot the electronic eavesdropping in which he had engaged at the Burlington Hotel, just a few blocks away from the Carlton, in 1953. At that time two St. Marys County, Md., Republican leaders, Joe and Abe Weiner, were lured into a Burlington Hotel room by the same private detective Lloyd Furr, and an associate, Leonard H. Harrelson. The room was wired and Robb eavesdropped on their conversation in an adjoining room.

Mr. Robb, asked for comment on the bugging of the Burlington Hotel room as against the Carlton Hotel room, said: "That was Furr's own room he put the microphone in. All Furr was doing was making a record of what was said in his own room."

"But you were in another room listening in."

"That's right," replied Robb frankly.

Note—This puts three of the Goldfine group who protested the Sheraton-Carlton microphone in the same bugging category. Jack Lotto, the third, once boasted of putting a microphone to the door of Richard Nixon's room at the Hotel Commodore in New York. Two wrongs don't make a right, and I'm against bugging people's rooms at any and all times. Jack Anderson, my assistant, was present when the chief investigator for the Harris Committee bugged Lotto's room, which I regret. Unfortunately, this is the kind of atmosphere which pervades Washington.

Possible U. S. Judge

Mr. Robb, an able and likable Washington attorney, has been mentioned frequently for appointment to the Federal bench.

Though Bernard Goldfine first hired Edward Bennett Williams to represent him before the Harris Committee, Goldfine later received a phone call from Sherman Adams instructing him to retain Roger Robb instead.

D. C. Murder Trial

Another piece of history regarding Attorney Robb involves the Garden T Shoppe murder in April 1951. Robb, then Assistant U. S. Attorney, prosecuted the alleged murderer, Tommy Jordon, and secured a conviction. Jordon was sentenced to the electric chair. Later, True Detective Magazine published an account of the trial, alleging that Robb and his superior, U. S. Attorney Leslie Garnett, had suppressed important evidence.

Robb and Garnett slapped a $400,000 libel suit on True Detective and the McFadden Publications, which was tried before the New York Supreme Court and ended in a verdict May 15, 1940, against Robb and Garnett.

The libel jury in New York not only agreed that the charges against Robb and Garnett were true, but went further and signed a petition to President Roosevelt asking a new trial for Jordon.

President Roosevelt commuted Jordon's death sentence, but did not order a new trial.

Mr. Robb, queried about the case, emphatically denied that he had suppressed any evidence.

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Tolson
Boardman
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Parsons
Rosen
Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date JUL 18 1958

53 JUL 29 1958

58-3021-A
NOT RECORDED
191 JUL 24 1958

Mr. Tolson
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
Tele. Room
Mr. Holloman
Miss Gandy
W. C. Sullivan

UPI -175
ADD 31 ADAMS
HE THEN RACED BACK THROUGH THE FOLDING SEATS OF THE COMMITTEE ROOM, SHOVED THE PAPER IN GOLDFINE'S HAND AND THEN ESCORTED THE MAGNATE TO A CLUSTER OF MICROPHONES FOR THE TV NEWSREEL CAMERAS.
GOLDFINE HAD TO READ THE STATEMENT TWICE BECAUSE ONE CAMERA HAD TROUBLE WITH ITS SOUND EQUIPMENT.
SEARS DECLINED TO WALK DOWNSTAIRS WITH GOLDFINE BECAUSE THE INDUSTRIALIST WAS WALKING AND TALKING WITH LAWRENCE SPIVAK, PRODUCER OF THE NBC-TV SHOW, "MEET THE PRESS."
GOLDFINE TOLD SEARS THAT HE WANTED TO TALK TO SPIVAK AND TO JOIN THEM, BUT SEARS RESPONDED WITH A VIGOROUS, "NO INDEED, I'M NOT TALKING WITH ANY REPORTERS AROUND."
LATER, SEARS TOOK A MUCH CALMER ATTITUDE AND TOLD REPORTERS HE THOUGHT IT WOULD BE "NICE" FOR GOLDFINE TO INJECT HIS CORRECTION IN THE INVESTIGATION RECORD TOMORROW.
ASKED IF THERE WAS ANY SIGNIFICANCE IN ROBB'S DEPARTURE WITHOUT WAITING FOR THE REST OF THE GOLDFINE PARTY, SEARS SAID NO; THAT ROBB REALLY WAS NOT CONCERNED WITH THE SEC PHASE OF THE INVESTIGATION WHICH HAD BEEN HANDLED BY SEARS AND OTHER BOSTON ATTORNEYS.
7/10--ES514P

WHITE HOUSE VISITOR

Meanwhile, there were these other developments in the Adams-Goldfine case:

1. Goldfine told reporters he has visited the White House a number of times during the Eisenhower administration and was introduced to the President at a White House luncheon he attended with "a group of White House executives." He said he had seen Adams at the White House several times.

2—Both Goldfine and Sen. Frederick C. Payne (R., Me.) confirmed published reports that Goldfine had loaned Payne $3500 in 1952 for Payne to make a $5000 down payment on a $22,500 house in nearby Hillcrest Heights, Md. Goldfine and Payne said they did not remember the interest rate on the loan, although Payne said the interest was to accumulate and be paid with the demand note. The loan has not been repaid.

3—Goldfine also confirmed a report that Sen. Norris Cotton (R., N. H.) is living in a house in Lebanon, N. H., owned by one of Goldfine's textile mills. Goldfine said Cotton pays rent, but didn't remember how much. A published report said $75 a month. Goldfine commented: "He pays rent—there's nothing wrong with that." Cotton has long been interested in the Goldfine textile business as a stockholder, director and lawyer.

FRESH ATTACK

Far from changing his mind about not answering questions, Goldfine—in the statement prepared by Sears—made a fresh attack on the sub-committee inquiry and roused the members to indignant retorts. They cited the House resolution setting up the investigation and reasons why they were entitled to more information about his connections with two companies involved in troubles also with the Securities and Exchange Commission for refusal to file financial statements for eight years.

Harris charged that the Sears statement as read by Goldfine was a reflection "not only on this committee but of the entire Congress."

When Goldfine suggested the subcommittee stop its hearings and allow the Goldfine lawyers to take the case into court, Harris declared:

"That will be enough of that. It will be up to the committee to determine the course of the inquiry."

Goldfine was allowed to read the statement only after considerable sparring among subcommittee members and a request by Rep. Robert Hale (R-Me) that the record show it was not "uncoached" testimony but the words of Sears. Harris had rapped Sears to silence after he read a few paragraphs of the five-page statement. He reminded Sears he was there to advise Goldfine on his constitutional rights and not to testify himself.

There was an evident split among the Goldfine battery of five lawyers. Roger Robb, Washington attorney retained by Goldfine, asked reporters for a copy of Sears' statement, saying he had not read it before.

Goldfine did answer a few questions Tuesday, most of them repetitions of previous testimony. He said the meeting with Adams and Fox at the Sheraton-Carlton Hotel on May 10, 1955, was a "social call" and not a private business conference as Fox had testified. He said Adams dropped in at his invitation and stayed only about 10 or 15 minutes, compared with Fox's testimony it was for about 1½ hours.

Under questioning by Hale, the witness said that, to the best of his knowledge, he never paid hotel bills, entertained, or gave gifts to members or former members of the FTC, SEC, or any other regulatory agency.

Newsmen in PR Melodrama: It's a Gift in Washington

Exit McCrary, Enter Lotto, with Pearson in Wings with a 'Bug'

WASHINGTON

The game of investigate the investigators, complete with a "bugged" conference room, screams of horror, a "spontaneous" statement of startled indignation carefully read from a typed paper, pilfered records, — these and many other strange incidents were ingredients of this week's chapter of the Bernard Goldfine-Sherman Adams inquiry.

The Harris Committee investigation of influence in government turned into a multi-ring performance that slipped so far out of control that the probers were forced into an all-day session to pick up the pieces. Washington police and the FBI came into the case. Goldfine was excused from testifying on the appointed day. The Boston millionaire and free-spender pleaded that he was too tired and excited to do so: he had reason to be because he had been up most of the night, expressing his indignation. When last photographed in the early hours of Monday morning he hadn't had time to change from his gold-threaded robe and pajamas into a testifying suit.

Newsmen in the Cast

Newsmen functioned as "extras" in the production that saw the Capital rivaling Hollywood with all the trappings, the cast, and the scenarios to produce a full season's fare of mystery, intrigue, and comedy. The rapidly shifting panaroma picked up a newspaper reporter and a House committee investigator in the act of "bugging" a room occupied by Goldfine's new public relations counsel.

Jack Lotto, former newspaperman employed by Goldfine, succeeded Tex McCrary, New York public relations man who put the show on the road with Goldfine's prepared statement to the committee. Then McCrary retired, explaining he had been performing an act of friendship for Goldfine's attorney, Roger Robb, and was not on the payroll.

The "bugging" incident cost Committee Investigator Baron I. Shacklette his $16,000-a-year job. But the reporter, Jack Anderson, whose room in the Sheraton-Carlton Hotel was being used to eavesdrop on Lotto and his conferees fared better. His employer, Columnist Drew Pearson, pulled the nifty of the week by parroting now-famous lines:

"He has been imprudent. But I need him."

Pearson elaborated in his column: "Anderson was on deck as any good police reporter is at the scene of action. . . . The chief thing Anderson ascertained was that Goldfine's cohorts had done some pretty good sleuthing by getting a copy of the preliminary Harris Subcommittee report on Sherman Adams' wire pulling at the Federal Trade Commission."

The column then went on to relate revelations said to be in the report.

Midnight Call

Lotto began earning his retainer soon after reaching Washington. Sunday night he called newsmen, summoning them for a 12:30 a.m. press conference. Upon arrival they were told by Lotto and Attorney Robb that a former Washington policeman, Lloyd B. Furr, had undertaken to discover whether Lotto's room was "bugged" by hostile interests.

From that point on, the drama unfolded without hitch: Furr solemnly announced that the room was, indeed, "bugged." Then another member of the party noted that the door leading to the next space was raised an inch off the floor, and that a man's shoes could be observed pacing the floor. This was Furr's cue to grab a handy wire coat hanger, sprawl on the floor and begin fishing under the door. With a jerk, he pulled the small microphone into Lotto's room, whereupon Bea Duprey, a model who carries the title of Goldfine's "press receptionist," made her entry, glanced at the microphone, and emitted a dramatic scream.

Bugging Mission

The action then moved into the hall with the press relations man banging on his neighbor's door and demanding entrance. With the help of an assistant manager, he gained admission and with the troupe of reporters and camera men taking up the rear he confronted Shacklette and Anderson. Shacklette said his mission was to find who has been tapping the telephones of committee members and had accepted the hospitality of Anderson, registered as "Mr. Brooks." Police eventually arrived, responsive to calls from one of Lotto's entourage. They patiently explained there was no criminal law violation, hence no police action was indicated.

Next Set

The cameras then moved to the next set, which was the corridor in front of Goldfine's door. Goldfine came to the door and, glancing at a piece of paper, proclaimed his indignation, saying: "This is worse than Russia and worse than the Gestapo. I'm shocked beyond words. I intend to move out of the hotel in the morning."

The next installment came when Miss Mildred Paperman, Goldfine's secretary, reported her room had been rifled over the week-end in her absence from Washington and that papers her boss intended to present to the Harris Committee in response to its demand, were missing. An 11:30 a.m. press conference was called to announce this development. Miss Paperman knelt and opened bags and bundles obligingly while camera shutters clicked.

A reporter suggested Goldfine might be happy to get rid of some of the papers and Lotto replied heatedly: "I'm not even going to answer that!"

"Thank you, Mr. Hagerty," the reporter quipped.

The police returned with fingerprint experts and detectives who promptly went into their official routine. Since papers destined to a Congressional committee were said to be involved, the FBI also sent men.

Lotto's 'Credentials'

Jack Lotto, who refers to himself as "a former ace reporter" for INS, thinks he won his job as Bernard Goldfine's publicity agent on the recommendation of Tex McCrary, whom he met once, about 19 years ago.

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Belmont
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Nease
Parsons
Rosen
Tamm
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Tele. Room
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Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader
Editor & Publisher
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63 JUL 29 1958

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Jack Lotto

"I guess he knew me mostly from my jobs as an investigative reporter," Lotto, who is 37, reasoned.

Better to acquaint the press with him, Lotto distributed reprints from the Dec. 22, 1956 edition of EDITOR & PUBLISHER in which his exploits, some of them resulting in journalism prizes, were detailed.

One of the incidents in which he expressed pride was participation in "bugging" a room occupied by Richard M. Nixon, then a U. S. Senator. Nixon had brought together for face-to-face confrontation, Whittaker Chambers and Alger Hiss. A hearing aid pressed against the closed door with the instruments volume tuned up, turned that trick, Lotto related.

The activities of Lotto and others in behalf of the Goldfine story prompted the House committee to competitive action. It engaged Raymond William Martin, 25, as an administrative assistant to answer press inquiries. Martin's background consists of studies at the Henry W. Grady School of Journalism and work for small Georgia newspapers and as a staff member in the office of Rep. John J. Flynt of Georgia.

The McCrary Story

John Reagan "Tex" McCrary, chairman of Tex McCrary, Inc., public relations, entered the Goldfine case as "a favor to a friend," he told E&P this week.

After setting strategy he considers successful, Mr. McCrary and Jerry Finkelstein, the PR firm's president, arranged for hiring two men to carry on, and the McCrary organization pulled out to return to the business of handling fee-paying clients. A fee offered by Goldfine's staff was declined.

(*Continued on page 62*)

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date

Melodrama

(Continued from page 13)

"I have no regrets," Mr. McCrary said of the episode that put his name on front pages. But he did ask to have emphasized that politics was not involved in his own or firm's entry into the bizarre affairs of the Boston textile man, his gifts to Sherman Adams, assistant to President Eisenhower, and others in politics.

"I am a life-long Republican," he said. "Mr. Finkelstein is a life-long Democrat.

Aims to Tell Whole Truth

"I feel strongly that no American likes a lynching, Mr. Goldfine's or anybody else's. The telling of the whole truth through the press was a restraining influence on a House committee that badly needed public relations counsel and which has finally hired a young man who today has the toughest job in the country."

The last reference was to Raymond William Martin, 25, hired by the Harris Committee.

"You have nothing to fear if you tell the whole truth to the press, because the press is ultimately fair," Mr. McCrary continued. "As professionals, we tried to tell the truth directly to the press, the public, and the committee, and in that order."

Mr. McCrary personally knows Roger Robb, Washington attorney, and member of Mr. Goldfine's legal staff. On June 26, Mr. Robb asked "Tex" for the loan of a man to help him on the case. William Safire, vicepresident of the McCrary office, was sent to Boston to dig up biographical material on Mr. Goldfine. From there he went to Washington to be joined by another staff man, George Britt, formerly of the *New York World-Telegram & Sun*. There, with Mr. McCrary, the strategy was set: (1) to keep the Harris committee off balance by careful timing of releases of filmed statements and testimony to pull the punch out of committee-planned headlines; (2) to stress the immigrant-boy-who-made-good theme by setting up personal interviews between Mr. Goldfine and top newsmen; (3) to track down and catch committee investigators suspected of "bugging" Goldfine and McCrary rooms in hotels.

Counter-Intelligence

On July 2, Mr. Safire and Mr. Britt, with an attorney and news photographer, began the counter-intelligence drive that involved ledge crawling, surveying suspected rooms, and standing watch in hotel corridors. It was the first of several efforts to catch the tappers that finally paid off on Sunday.

On Saturday the McCrary staff men had withdrawn to New York, after arranging for Mr. Robb to engage Jack Lotto, who once had worked for Mr. Finkelstein on the *Civil Service Leader* of New York, and Philip Brennan, an independent Washington PR counsel.

Mr. McCrary, a former newsman and editor, said he liked working with newspaper men. He related how he and Merriman Smith, United Press International, broke the story on Mr. Goldfine's tax deductible gifts on Wednesday, July 2. Mr. McCrary and Mr. Robb had interviewed Mr. Goldfine. When they came out of his room, Mr. Smith was waiting. From Mr. Robb's notes, Mr. Smith composed a statement while Mr. McCrary typed. As soon as the typing was finished, Mr. Smith took one copy, Mr. McCrary the carbon. At 7:18 P.M. they both reached for telephones. Mr. Smith dictated his copy to UPI, Mr. McCrary to Associated Press.

Mr. McCrary began his career as copy boy for the old *New York World-Telegram*. Prior to World War II he was for six years editorial chief of the *New York Mirror*.

McCrary clients include Continental Baking Co., Cenco Instrument Co., New Haven Railroad, Waterman Pen, Fifth Avenue Coach Co., Continental Industries, U. S. Hoffman Machinery Corp., and the *New York Herald Tribune*. In the past months four new accounts have been added: Food Fair Stores, Hilton Hotels International, Universal Products, and Republic Aviation Corp.

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N. Y. Journal-American _____
N. Y. Mirror _____
N. Y. Daily News _____
N. Y. Times _____
Daily Worker _____
The Worker _____
New Leader _____

Date _____

GOLDFINE FACING CONTEMPT ACTION UNLESS HE TALKS

Industrialist Warned After He Refuses to Answer Question as Ordered

HE CLASHES WITH MOSS

Hotel Bills of 3 Senators Paid by Financier—Adams Total Raised to $3,096

Excerpts from testimony are printed on Page 10.

By WILLIAM M. BLAIR
Special to The New York Times.

WASHINGTON, July 10—Congressional investigators decided today to build up a case for a contempt-of-Congress action against Bernard Goldfine.

The House Special Subcommittee on Legislative Oversight took this course instead of proceeding immediately to seek a contempt citation against the New England industrialist. The panel acted after his refusal this afternoon to respond to the one question he had been ordered to answer.

The subcommittee members agreed they had ample ground for citing Mr. Goldfine, a friend of Sherman Adams, the Assistant to President Eisenhower. But they also agreed they should develop tomorrow the record for a possible contempt citation.

The subcommittee met in executive session to map its course after another stormy public session. During that session Mr. Goldfine refused to tell about the financial affairs of his textile and real estate companies.

Harris Orders Subpoena

These "internal affairs," he contended, were not relevant to the House group's investigation of his troubles with Federal regulatory agencies and his relations with Mr. Adams.

His position led the subcommittee chairman, Representative Oren Harris, Democrat of Arkansas, to direct this morning the issuance of a subpoena for the account books of Mr. Goldfine's companies in an effort to solve the problem of $776,000 in bank checks, some uncashed for years.

For two hours this morning the subcommittee pursued its efforts to find out why and how the Goldfine checks had been used. And again it was unsuccessful in finding out whether any of this money had been used to influence the dispositions of complaints against Goldfine companies by the Federal Trade Commission. Mr. Goldfine denied the money had anything to do with agencies or public officials.

The S. E. C. Troubles

This afternoon, the committee peered into Mr. Goldfine's troubles with the Securities and Exchange Commission. It was this part of the inquiry that led to the threat of contempt proceedings and a shouting match between Mr. Goldfine and Representative John E. Moss, Democrat of California.

Mr. Goldfine shouted at Representative Moss that "it's my business and not yours" that he had charged off as business expenses the hotel bills he had paid for three Republican Senators.

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"Yes, but you're subject to the same laws as the rest of us," retorted Mr. Moss.

"That remains to be seen," Mr. Goldfine said as spectators gasped in the caucus room of the Old House Office Building.

"That is a most interesting observation," Mr. Moss commented, "because it so patently states the attitude that you have evidenced since these hearings commenced."

Harris Asks for Order

Their exchanges continued as Chairman Harris pounded for order.

The furor sent Mr. Goldfine's public relations adviser, Jack Lotton, former New York newspaper man, into action. Obviously disturbed by the outburst, Mr. Lotto and Goldfine lawyers went into a huddle. Mr. Lotto pounded out a statement on a typewriter, and lead Mr. Goldfine to a battery of microphones before television and newsreel cameras outside the hearing room.

"I'd like to correct myself," Mr. Goldfine said in referring to his shouted words about "what remains to be seen."

"What I meant to say," he read, "was that after this thing is over I'll then know whether I have been treated like everyone else which is all I want. I certainly did not mean to imply that I was above the law. No man is."

The three Republican Senators who were the recipients of Mr. Goldfine's hospitality were Styles Bridges and Norris Cotton of New Hampshire, where Mr. Goldfine has textile mills, and Frederick G. Payne of Maine.

Records introduced showed Mr. Goldfine had paid a total of/ $1,196.55 in hotel bills for the Senators.

The subcommittee staff also toted up the hotel bills paid by Mr. Goldfine for Mr. Adams in the five-year period ending last May 7. They came to $3,096.56, instead of the $2,000 figure cited earlier.

And to the hotel bills was added one for $63.89 at the Waldorf-Astoria in New York, paid by Mr. Goldfine for Federal Judge William T. McCarthy of Boston. Two other bills for the judge that the subcommittee counsel said had been charged to one of Mr. Goldfine's companies were not put into the record pending a further check by Miss Mildred Paperman, Mr. Goldfine's bookkeeper.

Sought S. E. C. Information

Judge McCarthy had disqualified himself in an S. E. C. case against two of Mr. Goldfine's Boston real companies in 1955. He had signed one order directing the companies to file annual financial and other reports before stepping out of further proceedings.

It was about this case that Senators Cotton and Payne have acknowledged they sought information from the S. E. C. They met with the general counsel of the agency in the Capitol Building office of Senator Bridges, Senate Republican whip, to get it.

It also is the case that Mr. Adams had asked Gerald D. Morgan, special counsel to the President, to inquire into. Mr. Adams testified that Mr. Morgan met with the S. E. C.'s general counsel in the White House.

Mr. Adams and the Senators denied they had tried to influence the commission in any way but only sought information as a matter of routine. Senator Cotton is a stockholder in one of Mr. Goldfine's New Hampshire textile mills and his law firm is counsel for the two mills at Lebanon, N. H.

The amount of the bills paid for Governor Adams increased on the basis of subpoenaed records from Miss Paperman. The complete details of the bills were not spelled out for the record.

All the bills were for hospitality at the Sheraton-Plaza in Boston, the Waldorf-Astoria in New York and the Mayflower in Plymouth, Mass.

Bills Listed Since 1950

Miss Paperman testified that the list she gave to the subcommittee was all she had on hotel bills for public officials in the period since 1950.

This S. E. C. case also was the focal point of the contempt proceedings threatened by the subcommittee.

After the executive session late today, Chairman Harris was asked whether the subcommittee would take contempt action if Mr. Goldfine failed to purge himself tomorrow.

"We'll take that step when we come to it," he replied. Other subcommittee members indicated they did not believe Mr. Goldfine would agree to answer. His Boston counsel, Samuel P. Sears, indicated Mr. Goldfine would fight all the way.

Mr. Goldfine himself said he would "take the advice of counsel" when asked whether he was ready to fight a contempt citation.

Mr. Harris told reporters the "committee feels it has ample" reasons to take contempt action. But, he said in a statement, the committee will decide the action it will take after the record is complete.

Mr. Goldfine has declined to answer, he said, "what the committee believes a relevant and pertinent question bearing on this investigation," and in line with the intent of the House in creating the special subcommittee. The panel's assigned task is to find out whether the agencies are functioning as Congress intended.

Faces Year in Prison

Conviction in court for contempt of Congress carries a maximum penalty of one year in prison and a $1,000 fine.

If a subcommittee votes to cite a witness for contempt the question goes to the parent committee for approval or rejection. In the present case the parent committee is the House Interstate and Foreign Commerce Committee.

Approval by the parent committee would send it to the House for concurrence or rejection. If the House approves, the citation and supporting testimony are forwarded directly to the United States Attorney.

It is up to the Federal Attorney to decide whether to take the matter before a grand jury. An indictment would be followed by normal court procedure in a Federal case.

Goldfine Statement Cited

The question Mr. Goldfine refused to answer on grounds of irrelevancy stemmed from his prepared statement last week.

In the statement, he said that he had "paid very little attention" to the affairs of the real estate concerns, the East Boston Company and the Boston Port Development Company.

Robert W. Lishman, subcommittee counsel, asked him whether in view of this statement he was "sufficiently familiar with the cash position" of the Boston Port Development Company to withdraw $20,000 in cash on Dec. 22, 1947. Mr. Lishman said a like amount had been withdrawn for the late William J. McDonald, a director who managed the companies.

Company auditors, Mr. Lishman said, reported that "supporting vouchers [for the alleged withdrawals] were not available."

Mr. Goldfine conferred with Mr. Sears and then read his familiar refusal to answer on the ground that the matter was irrelevant and not pertinent to the inquiry.

The subcommittee counsel insisted the question had the "utmost relevancy and pertinency" because the companies had "defied the S. E. C. for a period of eight years" and had provided time for minority stockholders to be "victimized."

Mr. Goldfine heatedly denied the accusation.

"No stockholders have been victimized," he asserted. "When he talks victimized I don't know what he is talking about."

His counsel, Mr. Sears, interjected that the companies' internal affairs were of "no concern to this committee." This drew from Mr. Harris that it was "up to the committee to decide."

Mr. Sears retorted: "I beg your pardon, there are other tribunals."

Representative Harris ruled the question was relevant and suggested Mr. Goldfine answer. Once again Mr. Goldfine refused, adding that it concerned matters presently in litigation in Federal Court in Boston. He referred to a suit by minority stockholders against the companies.

"I have no other alternative," Mr. Harris told the 67-year-old industrialist, "except to direct that you answer the question, and I order you now to answer the question as propounded by Mr. Lishman, the counsel of the committee." He went on:

"Your failure to do so, I might advise you, could very likely lead to proceedings of contempt."

Mr. Lishman then said, in answer to the chairman's questions that he could not proceed with questions he had intended to ask if he did not have an answer to that question.

Mr. Harris was supported in his ruling by Representative John B. Bennett, Republican of Michigan, who yesterday challenged Mr. Harris. Mr. Bennett had asked the chair to direct Mr. Goldfine to answer certain questions but the chairman had overruled him.

As the questioning turned to the Securities and Exchange Commission, Mr. Goldfine's Washington counsel, Roger Robb, left his customary place at Mr. Goldfine's right hand. Mr. Sears and Lawrence Cohen, also of Boston, took over.

After the hearing, Mr. Robb and his partner, William A. Porter, took no part in the efforts to get Mr. Goldfine to the microphone.

Asked what Mr. Goldfine intended to do if he were cited for contempt, Mr. Robb replied: "The Boston team is handling that. I've got no comment."

Mr. Sears was asked whether Mr. Robb's actions had any significance. He said no, because the Washington lawyer was not mainly concerned with the S. E. C. investigation, which originated in Boston and had been handled there by himself and other Boston lawyers.

18 Checks Are Shown

Miss Paperman brought to the hearing again today eighteen certified and treasurer's checks issued by the Pilgrim Trust Company, which Mr. Goldfine said he still held uncashed. They totaled $214,671.41. These "live" checks were handled gingerly by Mr. Lishman who made certain, after he detailed them, that the record show he had handed them back to Miss Paperman.

The checks are part of the $776,000 in bank checks found by the subcommittee. Some date back to 1941. Checks for the 1941-43 period, Miss Paperman has testified, cannot be accounted for because the records have been destroyed. She also said she had no idea what happened to them.

The "live" checks presented today ranged from $50 to $100,000. The $100,000 check was payable to Mr. Goldfine as was one of $50,000. Both of these checks were dated April 4 of this year and were purchased by the Strathmore Woolen Company, the concern to which hotel bills and gifts were charged by Mr. Goldfine.

All but a few of the checks were marked "not used." Two of them bore endorsements. One for $6,500 had been endorsed by Mr. Goldfine although not cashed. Another for $83,630.91 was made payable and endorsed by Samuel Pearlman, who is a partner in the Yale Wool Waste Company of Boston, which has done business with Goldfine textile mills.

Bridges Explains

Of the total of $1,196.55 paid in hotel bills for the three Senators, the records show that $181.98 had been for the stay of Senator and Mrs. Bridges at the Mayflower Hotel in Plymouth, Mass., on Aug. 15-18, 1957, when Senators Cotton and Payne also were present with their wives.

Senator Bridges said the visit with the Goldfines had been a "social" week-end.

"There was no business," he said. "It's the only hotel bill he ever paid for me in my life."

Senator Payne, who said he had known the Goldfines for a quarter of a century, said he always had been unsuccessful in trying to pay the hotel bills. Senator Bridges earlier had acknowledged getting a vicuña coat as a gift from Mr. Goldfine.

Senator Cotton also confirmed the week-end visit to the hotel with the Goldfines, who have a "cottage" at Hull, Mass. Earlier, when his name entered the inquiry, Senator Cotton had said he had an "understanding" with Mr. Goldfine that he would not ask him to do anything before Federal agencies concerned with any Goldfine enterprises.

Mr. Goldfine told the subcommittee of his "cottage" today.

"There is no room in my little cottage to entertain," he said. "I paid $8,500 for it in 1921, and have spent some money on improvements."

He explained that since he could not put his "important" friends and guests, including customers, in "a hole," he had invited them to Plymouth, where he has a textile mill.

Plant Given as Reason

"I really wanted them to have a look at that plant," he said. "It is the last plant I bought in Massachusetts. I wanted to show it to the Senators and Governor Sherman Adams. I was proud to have men come down and stay with Mr. Goldfine for a week-end."

The industrialist constantly refers to himself in the third person.

His story caused Representative Moss to comment that he had given "a most persuasive argument, were it not for the fact," that he had charged the bills not as a personal expense but as a business expense.

Usually, he went on, a purely personal guest draws a "personal underwriting" of expenses, but when Mr. Goldfine made a business expense of the matter that "raises an entirely different question placing a different connotation on this action."

This caused their shouting with Mr. Goldfine contending his auditors should come down to discuss their bookkeeping and Mr. Moss asserting he was offering a defense with "no basis at all" and shirking responsibility.

Excerpts From Goldfine Testimony at House Investigation Into Federal Agencies

Special to The New York Times.

WASHINGTON, July 10—Following are excerpts from today's testimony before the Special House Subcommittee on Legislative Oversight:

The special subcommittee met, pursuant to recess, at 10 A. M. in the Caucus Room, Old House Office Building, Representative Oren Harris, chairman of the subcommittee, presiding.

Present: Representatives Harris, Williams, Flynt, O'Hara, Bennett, Moss, Mack.

Also present: Robert W. Lishman, counsel to the subcommittee; Stuart C. Ross, committee consultant; Francis X. McLaughlin, subcommittee attorney, and Herman C. Beasley, subcommittee clerk.

Morning Session

[Testimony of Bernard Goldfine, Newton Center, Mass.; H. Maxwell Goldfine, San Carlos Hotel, New York; accompanied by Miss Mildred Paperman, treasurer, Boston Port Development Company; Samuel P. Sears and Lawrence R. Cohen, attorneys-at-law, Boston; Lester Lazarus, attorney-at-law, New York; Roger Robb and William A Porter, attorneys-at-law, Washington.]

MR. HARRIS—The committee will come to order. In resuming the hearings this morning Mr. Goldfine has returned as a witness, making himself available for further interrogation by the chief counsel and members of the committee.

At the outset, Mr. Goldfine was asked the question yesterday, which at that time he responded to by declining to answer the question because he raised the point of relevancy. That was: 'Why' did you deposit the checks referred to on the 25th of June" which was just after the wire had been received which was sent inviting Mr. Goldfine to appear and testify before the committee, as he announced that he would be glad to do.

I understand, Mr. Goldfine, you wish to answer that question this morning.

BERNARD GOLDFINE — Yes, Mr. Chairman.

Q—You may have the privilege of answering it at this time if you desire. A.—Thank you.

Q.—To make it perfectly clear, after you had received a wire, an invitation to testify before the committee, that certain checks, as it was testified yesterday, were deposited in the bank and the deposits were made on these various checks referred to—five in all, I believe, at that time—were deposited on June 25, the question was asked of you yesterday by Mr. O'Hara, I believe, why did you deposit the checks at that particular time.

A.—Mr. Chairman, yesterday one of you gentlemen asked why we recently put some of our checks back in our account. I would like to clear this up. The answer is simple.

We wanted to prove to you that we still had the checks and that they weren't being held or

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used by someone else. For business reasons we didn't want to put all the checks back in the bank. So we brought the rest down to show you. That's all there is to it, Mr. Chairman.

Renews Questioning on Checks

MR. BENNETT—Mr. Chairman, I would like to renew questioning in at least two instances of the development of testimony concerning these checks. Mr. Goldfine, do you know Samuel Pearlman. A.—Yes, I do.

Q.—Is he one of the principal stockholders and owners of the Yale Wool Waste Company? A.—I know him as a stockholder. I don't know whether he is the principal stockholder, or not. I can't tell you.

Q.—Does he have anything to do with the Yale Wool Waste Company? A.—I think he has.

Q.—Mr. Pearlman also is a partner or co-owner, or a large stockholder in one or more of your firms? A.—Not to my knowledge.

Q.—Are you interested in the Wilton Woolen Company? A.—I was a stockholder there, yes.

Q.—You are not a stockholder now? A.—Not now, I am not, no. It is out of business.

Q.—For how long? When did it go out of business? A.—It has been out of business now for about three or four months.

Q.—Were you a principal stockholder in the company before? A.—No, I was not the principal stockholder. I was just the stockholder. I wasn't the principal stockholder.

Asked About Control

Q.—Did you own the controlling interest? A.—I never owned the controlling interest.

Q.—What percentage of the firm did you own, approximately? A.—Well, one of the corporations that I was interested in had 25 per cent and I had also 25 per cent.

Q.—Was Mr. Pearlman a stockholder in that firm? A.—Mr. Pearlman was a stockholder but at the end he was not a stockholder as far as a common stockholder. I think that his company did have some preferred stock in that company. There were other stockholders besides.

Q.—Are you aware of the facts that the Yale Wool Waste Company was before the Federal Trade Commission that it had sold mislabeled cashmere wool stock to your firm at very low prices? A.—I told you that I didn't know anything about that yesterday, and I am telling you the same thing today.

My son can answer that question very easily. He is right here. He does the buying so he can talk to you more intelligently than I can.

Q.—You say you had no information and no information now as to—. A.—I do not.

Q.—Wait until I finish the question. You had no information yesterday, and you have no information now of the fact that the Yale Wool Waste Company was before the Federal Trade Commission on a complaint that they had sold mislabeled cashmere and wool to the Northfield Mills? A.—Up to the present time, no, I don't know, but my son is right here. He can answer it.

Information From F. T. C.

Q.—Mr. Chairman, I would like to state for the record that I have information from our staff procured from the Federal Trade Commission to the effect that in 1957 the commission investigated Joseph Brown Woolen Company of Providence, R. I., which had supplied mislabeled cashmere wool stock to the Yale Wool Waste Company, which in turn sold it to Northfield Mills at a very low price.

A complaint was issued against both Joseph Brown Woolen Company and the Yale Wool Waste Company for violation of the wool labeling act and consent settlement was made.

This question [is addressed] to Mr. Goldfine Sr.:

Were either of the two certified checks of $80,385.35 or $95,597.29 issued on March 28 and April 30, 1957, respectively, issued by Northfield Mills, Inc., to Yale Wool Waste Company either in payment or part payment or settlement of any kind for products obtained by Northfield Mills for use or disposition by that firm?

A.—The checks were not used. They were redeposited. So it couldn't be.

Q.—Now, Mr. Chairman, I ask for a ruling on that, and, pending that, I would like to point out one or two salient facts.

Admittedly, Mr. Pearlman, to whom one of these other checks had been issued, was an owner or manager of the Yale Wool Waste Company or had something to say about the management of that firm. He is also an associate stockholder of Mr. Goldfine in another firm called the Wilton Woolen Company, which has now been dissolved.

At the time that these checks were issued a complaint was pending against the Yale Wool Waste Company on the part of the Federal Trade Commission based upon mislabeling, wherein it was alleged in part that some of these goods that were alleged to be mislabeled had been sold at a very low price to Northfield Mills, which is also controlled by Mr. Goldfine.

Now, under the provisions of the Federal Trade Commission Act in connection with a complaint of mislabeling, one of the rights and the duties of the Federal Trade Commission in conducting such investigations is to make inquiries as to the price paid for any of the alleged mislabeled products.

Now, conceivably, the two checks to which I have referred could have been used in payment or for the purposes for which I have suggested in my question, and for that reason and for the further reason that the Federal Trade Commission itself has the right under the law to make inquiry concerning these checks in the course of its investigations of this complaint, I think under the broad jurisdiction of this committee to determine whether the Federal Trade Commission actually, properly and fully conducted its examination, we have a right here to make a similar inquiry.

On that basis, I think the witness is required to answer the question.

'Very Simple Question'

MR. HARRIS—Mr. Goldfine, as I understand it, Mr. Bennett has asked you a very simple question. That is, were these checks referred to issued for the purposes stated involving this matter with the Yale Wool Waste Company, which had a complaint against it before the Federal Trade Commission?

As I understand, you declined to answer the question. A.—Yes, Mr. Chairman.

Q.—The Chair wants to say that I think this is getting pretty far toward a ridiculous attitude, further toward a lack of cooperation.

Now, there seems to be a very close line of demarcation here in the matter. You have already said that the checks were issued during that year, that the checks were redeposited June 25, they were not used for that purpose, and that speaks for itself. Yet you decline to answer yes or no to the question as to whether or not they were issued for that purpose, which seems to me an unreasonable attitude to take.

On the other hand, the Chair feels that the requests for such a response before us at this time, first, is pertinent and relevant but yet it seems to be questionable in the Chair's opinion as to what good or benefit could come from even such a response.

MR. BENNETT—Well, it cleared the air, Mr. Chairman.

MR. HARRIS—Well, there are a lot of things that need to be done to clear the air around here so that we could get on with the hearing as to what the record shows.

The Chair feels that a decision cannot be made on this matter presented to it until it gets the books of the company. In order to show to this committee how it was treated on your books at the time it was issued, it will be the purpose of the Chairman to issue a subpoena, Mr. Goldfine, for the presentation of your books in order that this matter of relevancy on this question can be determined.

Afternoon Session

[After questioning of Horace Maxwell Goldfine in mislabeling difficulties with the Federal Trade Commission, Bernard Goldfine resumed his testimony.]

MR. LISHMAN—I would like to ask Mr. Bernard Goldfine in connection with these matters, did you at any time discuss them with any member of the United States Senate?

[Mr. Goldfine confers with counsel.]

MR. GOLDFINE—Not that I remember. I don't think I did about the F. T. C., Mr. Lishman, I don't remember.

Q.—During the period that the complaint was pending

against Northfield Mills did you meet any member of the United States Senate at a hotel? A.—I met quite a few Senators in hotels in my day.

Q.—Maybe I can refresh your recollection.

MR. HARRIS—I think, under the circumstances, that probably you should not limit it to the Senate. Do not leave out the House.

MR. LISHMAN—There is already testimony concerning this matter in the record.

MR. HARRIS—You may inquire about it of Mr. Goldfine.

Obtained by Subpoena

MR. LISHMAN—In order to expedite matters, Mr. Goldfine, I have seven, at least seven hotel bills of the Sheraton-Plaza Hotel in Boston, photostatic copies obtained by subpoena, and I would like to have you identify whether or not the person named here as having registered had his bill paid by you.

MR. ROBB—Are these some that we produced, Mr. Lishman?

MR. LISHMAN—No. These are bills that we obtained by subpoena directly.

MR. ROBB—They looked like duplicates of the ones we produced.

MR. LISHMAN—If it would assist you, I have supporting documents.

MR. GOLDFINE — Let me answer that one first. I have paid Senator Payne for bills in that hotel. This doesn't show me what hotel outside of one bill you have here. You have photostatic copies which you have in your possession which we have sent to you or given to you, and if you could show me those bills I could talk more intelligently. These do not show the Sheraton and what hotel it was.

Q.—That is what I was going to offer to give you now. A.—Well, I wish you would.

[Mr. Goldfine confers with his counsel.]

Q.—We now have, Mr. Goldfine, the ones that you sent to us. If those are more familiar to you, we will let you testify—A.—No, no. I will use these now. All right, may I have ours, please? I would like to see them, please.

Q.—Yes.

[Documents handed to Mr. Goldfine.]

Q.—I will hand the rest of them over to you.

[Documents handed to Maxwell Goldfine.]

BERNARD GOLDFINE. — I have one bill, a bill for the month of April, '58, which was paid for Senator Payne, of $140.99.

MR. HALE.—What hotel is this, Mr. Counsel?

MR. GOLDFINE—Sheraton-Plaza Hotel in Boston, Massachusetts.

MR. ROBB.—Is this confined to Senator Payne?

MR. LISHMAN. — Some of these bills include more than one. So I think it would be easier, if you would like, to do both at the same time.

MR. HALE. — Mr. Chairman, are all these bills going into the record?

MR. GOLDFINE.—I have another bill right here where I paid for Senator Cotton, $26.26, on April 6 and April 7 of 1958.

For the Record

MR. HARRIS—Mr. Hale inquires if these are going into the record.

MR. LISHMAN—Yes, sir.

MR. HARRIS—As I understand, Mr. Counsel, some of this information is already in the record, and you are now presenting it in more detail. A.—No. None of this has ever been in the record, Mr. Chairman.

Q.—Very well. Let it be included in the record then as presented. A.—I think they will need more identification because accompanying these bills is a photostatic check showing that the amount had been paid by Strathmore Woolen Company, and I would like to identify each of these exhibits as soon as they have been identified by the witness more clearly for the record.

MR. HARRIS—Yes. I think the witness is identifying them one by one.

MR. GOLDFINE—I have another bill of Jan. 17, '57, of $17.10 for Senator Norris Cotton.

MR. HALE—Just a minute, Mr. Lishman. The testimony will mean a lot more to the committee if we could have some indication of what the bills are that are being inquired about.

MR. LISHMAN—These exhibits are going to be identified for the record in greater detail and clarity as soon as the witness has acknowledged that these are hotel bills that he paid. Until that is done, I will not be in a position to offer them into the record.

MR. GOLDFINE—I have another bill here that was paid at the Sheraton-Plaza hotel for Senator Cotton, amounting to $17.10, dated Nov. 8, 9, and 10, in the year of '57. I have another bill for Nov. 26 of '57 where a bill was paid for Senator Cotton of $25.46. That is the first, second, third and fourth of November—the 26th and 27th.

You see, Mr. Chairman and Mr. Lishman, I would like to say this. Not being a bookkeeper, it takes me a little longer to identify those bills. I am not trying to stall for time.

Feb. 10th and 11th, a bill paid at the Sheraton-Plaza Hotel for the 10th and 11th of the year '56. It was $79.41 for Senator Payne.

[The witness confers with his counsel.]

MR. GOLDFINE—For Senator Payne, Oct. 11, 12, 13, and 14, October of '56, $169.27.

In the year of '55, Oct. 23, 24, and 25, $36.60 for Senator Payne.

[The witness confers with his counsel.]

MR. GOLDFINE—And I have another bill here, the year of '54, and I think at that time Senator Cotton was in Congress. I don't think he became Senator yet. I paid a bill Jan. 8—Well, it's all on the 8th, of $18.02, at the Sheraton-Plaza Hotel.

[The witness confers with his counsel.]

MR. GOLDFINE—And March 4, 1954, which I think he was a Congressman at that time, $19.57. Those are the only bills I have here so far from you, Mr. Lishman.

Another Bill Offered

MR. LISHMAN.—I am going to hand you another bill that you supplied the committee in accordance with the subpoena

and ask you if you can identify this one.

MR. HARRIS.—May I inquire, Mr. Goldfine, was Senator Cotton a director and officer in one of your mills? A.—He was then and still is today. When he went to Congress he told me that when he had to fill out he not only directly was a stockholder then and still is today. He was a stockholder in the Lebanon Mills, I think, for the last sixteen or seventeen years, he and Mr. Southcott and also my counsel at that time and still has acted in an advisory capacity up until the time he left for Congress.

Q.—In other words, he was represented or still does represent your company in a legal capacity as well as officer or director? A.—Well, I won't say in a legal capacity since he went to Congress you see, he confirmed, that is Cotton and Tessreau they named the firm. No, not since he went to Congress.

Q.—He relinquished the legal responsibility when he came to Congress? A.—Correct, and the firm, you see, the firm is Cotton, Tessreau and Stebbins. You see, there are three people in that firm, so he is no more in that firm as far as I know, so I still do business with the firm Tessreau and Stebbins, but not with Senator Cotton in a legal capacity but he is still a stockholder.

Q.—But at the time these bills were paid, he was still a stockholder, an officer and director? A.—Oh, definitely. He still is now.

[The witness confers with his counsel.]

Obtained from Office

MR. GOLDFINE—I have bills here from the Mayflower Hotel at Plymouth, Mass. I paid for Senator Bridges and Mrs. Bridges from August the 15th to the 18th of '57 which amounts to $181.98. I have another bill which I paid for Senator Payne and Mrs. Payne, 16, 17, 18, and 19, here, $248.59.

Q.—What year was that? A.—That is the year of '5[illegible]. Just one moment. For Senator Cotton and Mrs. Cotton, Aug. 16, 17, 18, and 19 of '57, $162.25, at the same hotel, Plymouth, Mass., the Mayflower Hotel.

MR. LISHMAN.—Before incorporate these into the record, with a more detailed description, it might save time, Mr. Goldfine, if I could hand you this batch of documents which was obtained from your office with a list prepared here and ask if you could check these matters, to make sure that the amounts shown in this list are correct as shown from these receipted bills.

The first of the documents identified by the witness consists of three pages. The first page is a check of Strathmore Woolen Company, No. 9608, dated Feb. 7, 1957, payable to the order of the Sheraton-Plaza in the amount of $162.51.

The testimony of the witness as to how much of that bill was attributable to Senator Cotton is accepted as correct.

The next of the documents identified by the witness contains four pages. The first page is a check No. 3702 of Strathmore Woolen Company, dated May 7, 1958, payable to the Sheraton-Plaza Hotel in Boston, in the amout of $825.65, and attached to it is the photostatic copy of the hotel statement and the amount already testified to by the witness as attributable in this bill to Senator Cotton is accepted as correct.

The next document which has been identified by the witness is a document containing eight pages. The first page is a check of the Strathmore Wollen Company, No. 11485, dated Sept. 1, 1957, payable to the order of Mayflower Hotel. Attached to this document is a photostatic copy of a receipted statement of the hotel which shows, among other things, that the Strathmore Woolen Company paid for Senator and Mrs. Stiles Bridges $101.98, and for Senator and Mrs. Payne $248.59, and for Senator and Mrs. Cotton $162.25.

The next paper identified by the witness is a document of three pages. The first page is the check of the Strathmore Woolen Company, No. 13117, dated March 6, 1958, to the order of Sheraton-Plaza Hotel in Boston. Attached to it is a photostatic copy of the hotel statement which shows that company paid a bill in the amount of $22.81 for Senator Cotton.

The next document identified by the witness contains three pages. The first page is a check of Strathmore Woolen Company, numbered 1616, dated June 7, 1954. Attached to it is a photostatic copy of the Sheraton-Plaza Hotel in Boston, to whom the check was payable, and this document shows that that payment by Strathmore Wool included $19.57 for Senator Cotton.

The next document consists of three pages. The first page is the check of Strathmore Woolen Company, No. 1050, dated Feb. 3, 1954, to the order of Sheraton-Plaza. Attached to it is a photostatic copy of the Sheraton-Plaza statement showing that included in the bill is $19.02 for Senator Cotton.

The next document identified by the witness is a document of three pages. The first page is is check of Strathmore Woolen Company, No. 5895, dated March 9, 1955. Attached to it is a statement of the Sheraton-Plaza, photostatic copy, showing that included in the bill paid by Strathmore is the amount of $36.60 for Senator Payne.

The next document identified by the witness contains three pages. The first page is a check of Strathmore Woolen Company, No. 8855, dated March 6, 1956, to the order of the Sheraton-Plaza. Attached to it is the photostatic copy of the Sheraton-Plaza's receipted statement. This shows that included in the bill paid, $169.27 was paid for the account of Senator Payne.

The next document consists of three pages. The first page is the check of Strathmore Woolen Company, No. 6887, dated March 7, 1956, to the order of Sheraton-Plaza Hotel. Attached to it is the photostatic copy of the hotel's statement showing that in this bill was $79.41 for the account of Senator Payne.

The next document consists of four pages. The first page is the check of the Strathmore Woolen Company, No. 1236, dated Dec. 6, 1957, to the order

of Sheraton-Plaza Hotel. Attached to it is the photostatic copy of the statement of the hotel showing that included in the bill is the amount of $70.07 and also an additional amount of $25.46 for the account of Senator Cotton.

The next document consists of three pages. The first page is the check of Strathmore Woolen Company, No. 14268, dated Nov. 4, 1953, to the order of the Sheraton-Plaza. Attached to it is the statement of that hotel showing that included in the bill is $231.19 for Senator and Mrs. Payne.

I ask that the papers identified above now be incorporated in the record at this point.

'Continuation of Account'

MR. O'HARA.—In looking through these exhibits it is quite obvious that there are included in the various statements of the Sheraton-Plaza Hotel what, to me, are for meals or a continuation of an account that had existed for sometime, and, of course, it does show it was a much smaller amount that was charged to the three Senators, such as Senator Payne, Senator Cotton and Senator Bridges, in one instance where his name appears. Is that not true, Mr. Goldfine, that that is the situation with reference to these exhibits? A.—Yes, sir.

Q.—Do you understand the question? A.—Yes, sir, it is true.

MR. GOLDFINE. Mr. Chairman, can I explain this situation, this Mayflower incident? I think the committee should know the facts.

MR. HARRIS.—Yes, I think you should have an opportunity.

MR. GOLDFINE.—If you look at those bills you will find that it was during the latter part of the summer. Now I have a very fine winter home, but the little place that I bought in 1921, the cottage down at Hull, Mass., there is no place where I can entertain or even ask people like Senators or anybody I consider of importance. There is no room there in my little cottage. I bought it at a time when the first child was born, and I have been to the homes of these Senators, who are good friends of mine, and where could any body invite men of importance but at a place which is in Plymouth, Mass.

I have the Mabett Mills, which I am proud of, and I really wanted to have them look at that plant because that was the last plant that I bought in Massachusetts, where in New Hampshire and Vermont the Senators have seen those plants.

I couldn't squeeze them into a little hole in my cottage. There is no room. I have the same little place that I paid $8,500 for—I have spent some money for improvements—that I bought in 1921, and that is why, and those are the facts.

I was proud of the George Mabett Company and I wanted to have them see the plant and see what it looked like. I took a plant that was down and out. They had no help there. And I was happy with it, proud of it, and I wanted to show it to the Senators and also Gov. Sherman Adams, who was also down for a week-end, which hasn't been mentioned here to this moment.

Senators Paid Visit

MR. O'HARA—I suppose that at times when these Senators were visiting, when these bills were incurred, you had your friends in and the rest of the bills and all those things have nothing to do with the Senate.

A.—Definitely my friends and Mr. and Mrs. Goldfine and part of my family. I have gone there and I am going to continue to go to the Mayflower. It is very handy. It is only about fifteen minutes from the place I have down at the beach. I invited them as my guests and had I known that the issue of this kind would have been, I wouldn't have paid for those bills. I think they would have been glad to pay for those bills.

MR. HARRIS—Does that complete your explanation? A.—That is all at the present time. Then I also entertained a lot of my accounts, customers that come, like I have mentioned Mr. Goldman of New York, Mr. Greenberg, where I have entertained them at the Waldorf. That is part of my business to entertain customers and I was proud to have men of that importance come down and spend with little Goldfine for the week-end. I would be pleased to have a picture of my place at Hull and see if there is room for them at my place down at the beach.

MR. MOSS.—The only observation I have, Mr. Goldfine, is that you carefully state your reasons for having these guests, the inadequacies of your summer home, your strong sentimental attachment to that home that you have had for so many years and your great pride in this new mill that you had acquired.

I think that would be a most persuasive argument as far as I am concerned, were it not for the fact that, in each instance here, you charged these not as personal items of expense but rather as items of business expense.

As a rule when you have a purely personal guest, apart from the normal business relationship, there is a personal underwriting or paying of the expense, but you determined here that this was a business expense and I think it raises an entirely different question placing a different connotation on this action in billing to Northfield Mills.

A.—I still stand on what I have said, and how it was applied and how the auditors decided to do it, and the bookkeeping department is not mine; but what I state are the facts.

If you are going to discuss bookkeeping and what auditors do, then I think you ought to get my auditor down and see.

Q.—I think—— A.—Just a minute.

Q.—I will not wait just a minute. I am—— A.—That's too bad.

Q.—I am not asking you to

respond now. Will you be silent?

MR. HARRIS—That is out of order. Mr. Moss, you may ask a question.

Q.—You are offering a defense there that has no basis at all. You cannot shirk the responsibility. A.—I don't agree with you.

MR. HARRIS—Just a minute, Mr. Goldfine, until he has concluded. Then you can have your say.

MR. MOSS—How you determine to pay your bills is your responsibility. A.—That's my business not yours.

Q.—Yes, but you are subject to the same laws as the rest of us. A.—That remains to be seen.

Q.—That is a most interesting observation because it so patently states the attitude that you have evidenced ever since these hearings commenced.

MR. HARRIS—Do you have any further comment?

MR. GOLDFINE—I don't agree with the Congressman.

Q.—That is obvious. A.—Mr. Chairman, if there are any more Congressmen who I don't know too well and if they can come down some time and if they want to be invited for a week-end I would be very glad, including Mr. Moss.

MR. MOSS—I do not think, Mr. Goldfine, that you have the fine affection for me that you have stated you have for these other gentlemen. A.—That's only your opinion.

MR. HARRIS—Now, listen. I do not think it is necessary to have colloquy of this kind.

Miss Paperman Testifies

MR. LISHMAN—Miss Paperman, I have showed you several bills of the Waldorf-Astoria Hotel in New York which are photostatic copies of these receipted bills, and on their face they show they were paid by Mr. Bernard Goldfine or Strathmore Woolen. Are you prepared to state that these bills were actually so paid? A.—No, I definitely am not. The only one I can identify is a $63.89 bill. The other two, one of them for $9.57, I will look up. You gave me one which dates back to 1950, and I have no records of 1950. I don't keep them beyond a six-year period.

MR. HARRIS—Identify the one that you can and let it go into the record, and the other two will not go in the record until further information is obtained. A.—All right. I can identify a bill in the amount of $63.89 which is dated April 25, 1954, for William T. McCarthy.

MR. LISHMAN—In order that the record will be clear, I will identify this as we have done similar hotel bills and checks.

The document just identified by the witness consists of four pages. The first page is a check of Strathmore Woolen Company, No. 1483, dated May 19, 1954, and attached to it is the receipted statement of the Hotel Waldorf-Astoria in New York, and it shows that there was paid by Strathmore Woolen Company for the account of Mr. and Mrs. William T. McCarthy, Boston, Mass., $63.89.

MR. HARRIS—It might also be stated that, Miss Paperman, when you look over your records and can give the committee further information about the other two bills, then that will be cleared up, too, for the record.

It also might be said that the name referred to is Judge McCarthy, a Federal district judge in Boston, Mass.

It might also be said it was a matter before his court regarding the Securities and Exchange Commission which the counsel intended to develop all together to permit the committee to get to it.

MR. SEARS—Mr. Chairman, I would like to correct you. There was no proceeding before the court at that time. It was brought later.

MR. HARRIS—Well, I did not say at that time.

MR. SEARS—I beg your pardon, Mr. Chairman. You said there was a matter pending before Judge McCarthy.

MR. HARRIS—And that the counsel intended to develop all of this together as soon as he is permitted to and can get to it. That will then have to return to the part of the record made at this time when we reach that during the course of the hearings.

Now you may proceed, Mr. Lishman, with whatever additional information you wish to develop.

MR. LISHMAN—We will now turn, Mr. Chairman, to the East Boston and the Boston Port Development Company. Mr. Goldfine, when did you first acquire ownership of stock, beneficially or otherwise, in the East Boston Company. A.—In the early part of 1940, Mr. Lishman.

'Utmost Relevancy'

Q.—Now, Mr. Goldfine, you were sufficiently familiar with the internal affairs of the Boston Port Development Company in 1946 to know that its cash position would permit the withdrawal by you of $20,000 cash allegedly as commissions and for a like amount by Mr. W. J. McDonald, a director of Boston Port Development Company, for which checks in those amounts were issued and for which your own C. P. A., certified public accountant, reported that supporting vouchers were not available. Is that correct? A.—I respectfully decline to answer the question because it is not pertinent or relevant to the matters which this subcommittee is presently investigating or about which it is authorized to inquire.

Q.—Mr. Chairman, we are in a situation where this is of the utmost relevancy and pertinency. We are dealing with a situation where the East Boston Company and the Boston Port Development Company defied the Securities and Exchange Commission for a period of more than eight years and information that should have been furnished to the commission was not furnished in time to prevent minority stockholders from being victimized. Now, I submit this is utterly relevant.

MR. BENNETT—Mr. Chairman, may I be heard?

MR. HARRIS—May I inquire what is the date that you refer to with reference to the $20,000 withdrawal?

MR. LISHMAN—1947, Dec. 22.

MR. SEARS—I can save a lot of time, I think. We have given this matter of the internal affairs of the East Boston Company and Boston Port great consideration and study and we have advised Mr. Goldfine that the internal affairs of the East Boston and Boston Port is no concern of this committee. We are here ready to answer any and all questions relative to the failure to file promptly 10-K reports and it is our opinion, and we have so advised Mr. Goldfine, that that is all this committee can inquire into under the resolution in this case. So that may curtail a great many questions.

'It Is Pertinent'

MR. HARRIS.—The Chair would have to hold that it is a relevant question. It is pertinent to this investigation. It is a question about your own statement which you made.

MR. BENNETT.—The Chair has ruled that the question is relevant and is going to require the witness to answer it. Is that my understanding?

MR. HARRIS.—Of course, the Chair can only request that the witness answer the question which the Chair feels is relevant.

If it refused, the committee will have to make the decision as to what further action it will have to take.

MR. LISHMAN—It is squarely within the authority conferred on this subcommittee by the resolution which established it that we have authority to inquire into and determine how the Securities and Exchange Act has been administered by that commission.

We have a situation where this company for eight years defied that commission, and finally in 1956 this company, Boston Port Development Company, under compulsion, submitted certain data to the Securities and Exchange Commission. And the question which has just been asked was derived from a report dated March 22, 1956, over the signature of Benjamin Brown, auditor for the Boston Port Development Company, and a certified Public Accountant, and is a document in the files of the Securities and Exchange Commission.

We are entitled, I submit on a number of grounds, to require the witness to answer this very pertinent and relevant question.

MR. HARRIS—Will you restate the question, Mr. Lishman. Could you rephrase your question, Mr. Lishman.

MR. LISHMAN—I will rephrase it. The question I asked was substantially this of Mr. Goldfine:

At first his attention had been called to his statement, page 17, where he stated that he had paid very little attention to the internal affairs of the East Boston Company and the Boston Port Development Company. Then the question was asked:

You were sufficiently familiar with the internal affairs of the Boston Port Development Company in 1946 to know that its cash position would permit the withdrawal by you of $20,000 cash allegedly as commissions, and for a like amount by Mr. W. J. McDonald, a director of Boston Port Development Company, for which checks in those amounts were issued and for which your C. P. A. reported supporting vouchers were not available. Is that correct?

A.—Mr. Lishman, I respectfully decline to answer the question because it is not pertinent or relevant to the matters which this subcommittee is presently investigating or about which it is authorized to inquire.

I want to add also it concerns matters which are presently in litigation and under judicial consideration. Furthermore, it involves the internal affairs of a corporation with which this subcommittee is not concerned.

[Mr. Goldfine confers with his counsel.]

MR. GOLDFINE.—And the judicial consideration is in the Federal court at the present time.

Reads Statement

MR. HARRIS—Mr. Goldfine, did you make a statement on page 17 of your mimeographed statement to this committee July 2, 1958, and I quote:

"I have never been an officer or director of either of these companies, and I paid very little attention to their internal affairs."

Did you make that statement?

A.—Yes, sir, Mr. Chairman, I did.

Q.—Then you are not willing to answer the question that you are sufficiently familiar with the internal affairs in 1947 for the withdrawal of the funds which the counsel has mentioned in his question? A.—I am not, Mr. Chairman, for the reasons stated.

Q.—Mr. Goldfine, the Chair will have to hold that this question is very important to this hearing and that it is pertinent, that it is relevant to this investigation and, therefore, would like to suggest to you that you answer the question if you were so familiar for that purpose. A.—I still stand on my last answer, Mr. Chairman.

Q.—Mr. Goldfine, I have no other alternative except to direct that you answer the question, and I order you now to answer the question as propounded to you by Mr. Lishman, the counsel of the committee. Your failure to do so, I might advise you, could very likely lead to proceedings of contempt. A.—I decline to answer that question for the reason given before.

MR. HARRIS—The committee will adjourn and assemble in executive session.

[The committee adjourned at 4:17 P. M.]

Associated Press Photograph

CONFER BEFORE HEARING: Bernard Goldfine, center, with Roger Robb, his lawyer; Miss Mildred Paperman, his bookkeeper, and Horace Maxwell Goldfine, right, his son, at the old House Office Building in Washington. Elder Mr. Goldfine, a New England industrialist, continued his testimony before Special Subcommittee on Legislative Oversight.

6-18 (Rev. 10-29-57)

REC-69

Warn Goldfine: Talk Now or You Face Jail

By FRANK HOLEMAN

Washington, July 10 (NEWS Bureau).—Angry Congressional probers decided late today to try to jail Boston textile tycoon Bernard Goldfine for contempt unless he fully answers their questions tomorrow on his involved financial dealings.

Members of the House legislative oversight subcommittee made their decision unanimously in a closed session after Goldfine earlier in the day again refused to answer what he called "not pertinent" questions about his hundreds of thousands of dollars worth of uncashed checks and other business matters.

Goldfine balked specifically — and got a contempt warning for doing so from Chairman Oren Harris (D-Ark.)—at a searching query as to whether he took $40,000 from the till of one of his companies in a deal which "victimized" small stockholders.

One Final Chance

Harris indicated after the closed session that Goldfine would have one final chance to purge himself of contempt by talking freely tomorrow. He pointed out that the witness had answered some questions today at which he had balked yesterday.

The session today was filled with clashes, however, between committee members and Goldfine and his lawyers.

"Subject to Same Laws"

"You're subject to the same laws as the rest of us," Rep. John Moss (D-Calif.) reminded Goldfine grimly at one point.

"That remains to be seen!" exclaimed the gift-giving industrialist, who has spent thousands of his company's dollars entertaining President Eisenhower's top assistant, Sherman Adams, Senators and other big shots.

After the hearing, Goldfine said he hadn't meant to leave the impression he was above the law. He said what he had in mind was that after the investigation is over, "then I'll be able to tell whether I was treated like everyone else."

Checks put in the record today showed that Goldfine's Textile Mills Securities Co. has paid hotel bills totaling $2,000 for Mrs. Adams, his wife and family; $2,254.36 for Sens. Frederick Payne (R-Maine), Styles Bridges (R-N.H.), Leverett Saltonstall (R-Mass.), Dexter Hunt (R-Utah) and their wives; and $231.85 for Federal Judge William J. McCarthy of Boston.

Deducted From Tax

All three Senators, as well as Adams, have acknowledged they had been hotel guests of Goldfine at various times. Goldfine said the Senatorial bills, like those paid for Adams, were deducted as business expenses from his income tax.

Investigators listed 21 occasions on which Goldfine picked up hotel bills for Adams. The bills, including one each for Sarah and Samuel Adams, the Adams children, covered the pe-

(Continued on page 6, col. 1)

(Associated Press photo)

Bernard Goldfine adjusts glasses before taking stand. With him are attorney Roger Robb and secretary Mildred Paperman.

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy

W. C. Sullivan

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date JUL 11 1958

REC-59 1 58-3811

NOT RECORDED
191 JUL 17 1958

JUL 22 1958

ted from Dec. 23, 1953, to May 6, 1954.

Three hotels were involved—the Sheraton-Plaza in Boston, the Waldorf-Astoria in New York and the Mayflower in Plymouth, Mass.

"Previous testimony indicated that Goldfine paid about $2,600 in Adams' hotel bills," the subcommittee said in a statement. "Records supplied by Goldfine reflect that the total as to these hotels now is $3,086.56."

A Matter of $18,000

The question which Goldfine refused to answer was about $18,000 he and an associate, W. J. McDonald, allegedly took out of the till of Goldfine's Boston Port Development Co. in 1947.

Committee Counsel Robert Lishman claimed that minority stockholders had been victimized by the deal. He said the company and its parent, the East Boston Realty Co., "defied" the Securities and Exchange Commission for eight years.

"There were no stockholders victimized!" Goldfine shouted. But he refused to give any further information about the deal on the grounds that the question was "not pertinent or relevant."

Sen. Norris Cotton
Also on the free list

Samuel Sears, Goldfine's Boston lawyer, interrupted to say he had advised his client that questions about the "internal affairs" of the two companies were "not relevant" to the committee inquiry. (Adams has admitted instigating a call to the SEC once in Goldfine's behalf.)

"Up to the Committee"

"It is up to the committee to determine relevancy," Harris said sternly.

"At this point, yes," retorted Sears. "There are other questions ..."

Lishman pleaded that he "could not go on unless Goldfine answered the question about the $18,000. He pointed out that the industrialist himself mentioned the two companies briefly in his opening statement before the committee last week.

"The chair will have to hold the question is relevant," said Harris. "It's about a statement you made yourself."

After more haggling, Harris finally declared: "I order you now to answer the question. Your failure to do so may very likely lead to a citation for contempt."

Goldfine again refused.

"This Little Goldfine"

The hotel bills showed that the New England Senators and their wives were guests of Goldfine at the swank Mayflower in Plymouth, for several days at the same time, late in August, 1957.

"I was proud to have men of that importance come to see this little Goldfine," the industrialist declared. He said he wanted to show them a mill he had just bought at Plymouth, and "I couldn't put them up at my little place on the beach."

"I have a fine winter home," he announced, but the summer place is "just a little cottage I bought for $8,500 in 1921."

Sens. Payne and Cotton also had several bills paid for them at the plush Sheraton-Plaza in Boston. Cotton "was and still is" a stockholder in Goldfine's Lebanon Mill in Lincoln, N. H., the witness said.

Judge's Free Stay

Judge McCarthy and his wife were put up at the Waldorf-Astoria in New York on April 25, 1954, at a cost of $63.89, the records showed. Lishman said an SEC case involving Goldfine was pending in the judge's court at the time. But Sears angrily disputed that.

"It came up later," Sears insisted. He said the judge finally disqualified himself, after the matter had dragged on for a long while.

At the start of Goldfine's fourth appearance before the committee, his questioners tried to find out just why the textile millionaire deposited $280,571 in previously concealed checks after the probe got under way while $209,871 in similar checks were brought here for the investigators to look at.

There was "no particular reason, no reason whatever," Goldfine said, but later he added that "for business reasons we didn't want to put all the checks back in the bank."

Goldfine's refusal to answer some questions about cashier's checks on grounds the queries were not "pertinent" and his lengthy replies at other times to similar inquiries caused Harris to criticize his "ridiculous attitude."

Harris then served notice that at the proper time the committee would subpena the books of Goldfine's Northfield, Vt., mill. That was the mill involved in the 1953 Federal Trade Commission mislabeling case in which Adams intervened.

The witness at times shot back quick but tempered retorts.

Asked by Rep. John Bennett (R-Mich.) why he has appeared willing to talk about certain checks but not others, Goldfine barked: "I am not afraid of anything. I don't have to be afraid."

"I think perhaps you are," suggested Bennett.

"I don't think I am. Perhaps you are."

"Mysterious Checks"

Rep. Robert Hale (R-Maine) wanted to know if any "of these mysterious checks (were) given in connection with anything to do with government contracts."

"You said mysterious checks," replied Goldfine. "I didn't know there were mysterious checks. That is something new to me today."

He then answered no to the question.

One of Goldfine's sons, Maxwell, was questioned at length about Northfield Mills mislabeling cases. When he insisted that the amount of misbleied yardage was only about 1,000 out of a million yards of cloth produced a year, the committee ordered Maxwell either to produce the evidence to back up his claim or stop talking about it.

How About Hare Hair?

Committee Counsel Lishman read a report by FTC investigator Robert E. Scott, dated April 8, 1955, on a talk he had with Maxwell.

"I advised him," Scott reported, "that they had misbranded their fabrics in not naming the angora rabbit hair in it. Mr. Goldfine continually stressed that he did not wish to name the rabbit hair in the fabric and he did not promise that such designation would be shown on their labels in the future. He wished to know whether they could call it hare hair."

Sen. Styles Bridges
One of Goldfine's hotel guests

0-19 (Rev. 10-29-57)

REC-57

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy
W. C. Sullivan

Miss Paperman Gives Probe Dash of Pepper

By MARY McGRORY
Star Staff Writer

"Ask Miss Paperman," Bernard Goldfine is forever pleading. "She knows the answer and she's right here."

If Committee members call on Miss Mildred Paperman rather gingerly, it is only because she is the Maria Callas of the hearings. The talent is there, but so is the temperament.

They know that along with any information, she's going to give them a lot of static. Miss Paperman's short answers are marinated in her disapproval of the committee's failure to mind what she considers its own business.

". . . and it's not in the hands of any public official," is a spiteful footnote to most Paperman replies about mysterious Goldfine funds.

MILDRED PAPERMAN

She Pays the Bills

Miss Paperman, the Caucus Room's leading partisan, pantomimist and prompter, is present in her capacity as the woman who pays the Goldfine bills. But woman's work, of course, is never done.

When not blending her downright contralto in duets with her basso boss (Goldfine: "Absolutely not"; Paperman: "Definitely not."), Miss Paperman is slaving away with two lawyers to the right of him at the Committee table. She is writing notes and tearing them up on return, nodding in agreement when Mr. Goldfine is speaking his lines well and knitting her brows when he pauses, mouthing replies to every query and glaring at the committee.

Not Dream Girl Friday

Miss Paperman, blond and round-eyed, looks something like Ann Sothern of the films and is always stylishly gotten up to sit seething before the Legislative Oversight Committee. She is, however, not the television dream of the Girl Friday.

She doesn't even take her eyes from her hard-pressed chief. Mr. Goldfine has consistently striven for an air of bewildered benevolence. He answers questions with heroic vagueness. When his name is mentioned he bows and beams. When he mentions hers, she sighs and looks to heaven, for all the world like a child whose doting elders have once again forced her forward to recite "The Village Blacksmith" for company. Her testimony is studded with "certainlys."

Mr. Goldfine would like to prove he is the salt of the earth. Miss Paperman would obviously settle for pepper.

"And that should be sufficient," she raps out smartly, having given the committee little more than a fresh piece of her mind.

At one point, Mr. Goldfine suggested dispatching Miss Paperman to Boston to chess over some old hotel bills. It was in response to a wistful request from Representative O'Hara for "other" bills relating to other than Republican Senators. It was one of Mr. Goldfine's handsomest gestures, but as unacceptable at the moment as a vicuna coat. Miss Paperman is as indispensable to the hearings as she is to Mr. Goldfine.

Besides, she has taken on a new job. She is busy passing papers from Committee Counsel Lishman to the Goldfine lawyers, checking them as they go. She has also generously included Mr. Lishman in her prompting service. A virtuoso feat that should be called to the attention of the Metropolitan Opera.

Someone suggested that Mr. Lishman probably had more hotel bills than he had produced.

"You certainly do," snapped Miss Paperman, rounding on him. "Why don't you bring it forward. What's the sense of handing them out one at a time?"

Boss Upsets Applecart

Helpful as she is, however, Miss Paperman was no help at all to her embattled employer in his hour of need. Nor, indeed were Mr. Robb, Mr. Sears, Mr. Cohen or even Mr. Lazarus. Mr. Goldfine got away.

Mr. Goldfine was, as a matter of fact, enunciating one of Miss Paperman's cardinal principles when trouble came.

"It's none of your business," he roared when Representative Moss, Republican of California, was complaining that Mr. Goldfine charged off private hospitality as business expense.

If Miss Paperman was writing a note or mouthing an answer or running around the table to whisper in his ear, he didn't even notice. Mr. Goldfine was speaking for himself.

Representative Moss urged that Mr. Goldfine was subject to the same laws.

"That remains to be seen," shouted Mr. Goldfine.

In the little knot that gathered afterwards in the back of the caucus room trying to launder this quotation, Miss Paperman stood furiously biting her lip. Picking up the pieces is woman's work, too, as Miss Paperman, who hastily mopped up after Mr. Goldfine had spilled a cup of water on the committee table knows, and woman's work is never done.

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date JUL 2 1 1958

58-3191-
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JUL 22 1958

REC-57

67 JUL 23 1958

GOLDFINE REBUFFS INQUIRY OVER USE OF BANK CHECKS

Insists It Is Not Relevant to Hearing—Again Says He Didn't Seek Favors

CLASH MARKS SESSION

Industrialist, Questioned on an Indictment 49 Years Ago, Cries 'Blackmail'

Excerpts from testimony are printed on Page 14.

By WILLIAM M. BLAIR
Special to The New York Times.

WASHINGTON, July 9—Bernard Goldfine told Congressional investigators today that his use of $776,000 in bank checks was none of their business.

The New England industrialist testified that none of the checks had gone for gifts or favors to public officials or to influence Federal agencies.

And the 67-year-old textile and real estate executive reiterated under oath that the gifts and favors he had bestowed on Sherman Adams, the Assistant to President Eisenhower, had not been intended to gain him preferred treatment from Federal agencies.

When the House subcommittee counsel queried, "Isn't it a fact that your company was emboldened by Mr. Adams' successful intervention in your behalf to commit even more flagrant violations" of Federal law barring the misbranding of textile fabrics, Mr. Goldfine snapped, "It is not."

Indictment Recalled

Then, at the end of another day on the witness stand, he erupted in anger and cried "blackmail" when asked whether he had been indicted in a bankruptcy case forty-nine years ago.

"I'm just not going to have anyone come down here and blackmail Mr. Goldfine," he shouted.

But despite day long intensive questioning, the Special House Subcommittee on Legislative Oversight was left as baffled as when it had started on the reasons why he had used certified and treasurer's checks in his business operations.

For two hours this morning the investigators sought an answer to the question of whether Mr. Adams had intervened to soften complaints of the Federal Trade Commission against Goldfine companies for misbranding fabrics.

For more than three hours this afternoon they hammered at Mr. Goldfine on the uncashed checks but got little satisfaction as he repeatedly told them the checks were not relevant to their inquiry.

He was joined by his bookkeeper, Miss Mildred Paperman.

Continued on Page 15, Column 8

CLIPPING FROM THE
N.Y. N.Y. TIMES
EDITION LATECITY
DATED JUL 10 1958
PAGE 1
FORWARDED BY NY DIVISION

RE: HOUSE SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT

BUFILE -

58-3891-A
76 JUL 28 1958
59 JUL 29 1958

in turning aside, on the advice of counsel, the questions of whether the checks were for a variety of purposes suggested by subcommittee members and how he had treated them on the books of his companies. And the two sharply rejected suggestions that Mr. Goldfine was concealing assets.

The subcommittee will go after the information again tomorrow, although Representative Oren Harris, chairman, suggested it was possible that the panel might have gone as far as it could on the puzzle of the checks.

Mr. Goldfine, whose lawyers and public relations advisers had said he would "explain" the checks, did disclose that of the $776,000, "we have deposited in our company accounts" a number of checks in the amount of $393,571.86 since May 7.

That was the date the Pilgrim Trust Company, which issued the checks between 1941 and 1958, gave the list under subpoena to the subcommittee.

Holds $209,671 in Checks

He also testified that he still held $209,671.41 in checks and asserted "they have never been used." He waved the uncashed checks before the subcommittee. Mr. Harris backed way from taking them because "they're just like money."

None of the checks bears the name of the companies or persons who drew them. A major concern of the subcommittee is whether the checks were used to mask the identity of companies and persons involved. They are drawn on the accounts of various companies but are signed by bank officials.

A treasurer's check, issued by a state bank, falls under that classification. A certified check is a personal draft that has been guaranteed by the bank. The signature of the drawer appears on the check.

The subcommittee questioning centered on two major amounts. The first was $232,369.44 in certified checks drawn by Northfield (Vt.) Mills, Inc., in 1955-57 and made payable to various individuals and companies. The second batch was treasurer's checks in the amount of $89,035.89, drawn in 1941-43 by another Goldfine company, the Strathmore Woolen Company, and made payable to the same company.

Mr. Goldfine swore that he knew nothing about what had happened to the checks in the amount of $89,035 because he had no records of their disposition. Neither did Miss Paperman, who said she did not keep records dating back so many years.

Miss Paperman testified that they were positively no longer carried as an asset of the Strathmore Woolen Company, Mr. Goldfine's headquarters in Boston, but she said she had no records on that question.

Mr. Goldfine suggested that perhaps some of the checks still were in existence, that maybe some of the persons to whom they had been endorsed had died, leaving the checks in estates.

Harris Sees Mystery

Representative Harris called it a "mysterious situation" and commented that "apparently no answer can be or will be given."

Representative John B. Bennett, Republican of Michigan, made several efforts to pin down reasons for the bank checks. He wound up by asking the subcommittee chairman to direct that the witnesses answer the questions.

Mr. Harris, however, rejected the appeal after drawing assertions from Mr. Goldfine that the checks never had been used for any purpose whatsoever in connection with any matter before the F. T. C., the Security and Exchange Commission or any other Federal regulatory agency.

The chairman said he felt that Mr. Goldfine had satisfied the question of relevancy and that the subcommittee could not go beyond the scope of the House resolution, which directed the body to determine whether the agencies were functioning as Congress had intended.

Bennett Protests

Mr. Bennett protested but did not indicate he would appeal the chairman's ruling to the full subcommittee.

Mr. Bennett asserted that the ruling "precludes getting to the bottom of things" and said the checks were pertinent because "they were issued at the time the purchaser was a defendant before the Federal Trade Commission."

"You just don't throw $89,000 out of the window," he asserted.

"Beyond belief," observed Representative John E. Moss, Democrat of California.

Representative Charles A. Wolverton, Republican of New Jersey, was met with repeated rebuffs from Mr. Goldfine and Miss Paperman. He suggested that perhaps the investigators would have to go to Federal income tax records to find out more about the checks.

He commented that Miss Paperman had a good memory sometimes but that it also failed at times.

"I'm just trying to figure out where your memory starts and where it ends," he told her.

She replied she had "just a fair memory" for one of her age, and added:

"It isn't always a matter of age."

"I realize that now," Mr. Wolverton said with a smile.

The closest she came to what subcommittee members considered an "explanation" of the checks was when she said that "we don't like to keep large sums of money in the bank."

The subcommittee counsel, Robert W. Lishman, protested that "we have had a very elaborate attempt at an explanation which explains nothing."

Mr. Goldfine produced photostats of five certified checks covering the $232,369. The subcommittee had sought to find out about them because they were drawn by Northfield Mills which, with the Strathmore Woolen Company, had been cited by the F. T. C. for misbranding practices. It was in a 1956 case against these companies that Mr. Adams has acknowledged that he sought information for Mr. Goldfine.

The subcommittee sought but obtained no answer to why these five checks had been made out to various companies and then had been among those redeposited on last June 25. That date was two days before the subcommittee wired Mr. Goldfine asking him to appear voluntarily, to which he agreed.

One of the checks was pay-

able to Louis Goldblat, whom Mr. Goldfine identified as his brother-in-law. This check was for $45,407.61.

Another check was in the amount of $80,385.55 payable to the Yale Waste Company of Boston. Mr. Goldfine testified he did not have an interest in this company, which he said was engaged in the wool and wool waste business. It was, he said, one of several similar companies his mills do business with.

Records at the Federal Trade Commission show that on last March 27 a complaint was issued against the Yale Wool Waste Company. It charged violation of the Federal labeling law by misbranding of wool products.

The F. T. C. records list the company as a partnership of Samuel Pearlman and Yale Goldberg. On the subcommittee's list of uncashed bank checks there appears the name "Samuel Pearlman."

The list shows a certified check drawn Sept. 1, 1945, by Northfield Mills and made payable to Samuel Pearlman in the amount of $33,882.69. A treasurer's check for $32,630.25 also was drawn on June 22, 1945, by Northfield Mills and payable to Samuel Pearlman.

The subcommittee list also shows a certified check for $95,597.20 payable to the Yale Wool Waste Company. It was drawn April 30, 1957, but is not among the five Mr. Goldfine said had been redeposited last month.

The other checks redeposited included one for $26,000 drawn by Northfield Mills on April 26, 1957, and payable to the United Waste Company, Inc. The two other checks, also drawn by Northfield Mills, were $36,233.28, dated April 26, 1957, and payable to Goldfine and Medows, Inc. and $44,343.20 of the same date, payable to the Dale Yarn Company, Inc.

Mr. Goldfine seemed not to comprehend as he was asked about the indictment of forty-nine years ago by Representative Peter A. Mack, who called it a "concealment of assets case in a bankruptcy proceeding a few years ago."

At first, after conferring with his counsel, Roger Robb of Washington and Samuel P. Sears of Boston, he declined to answer.

Mr. Mack pressed on and after fencing with Mr. Goldfine on the date of the indictment, Mr. Goldfine said sharply:

"I don't know what you're talking about. This is news to me at the present time."

Photostat Is Shown

The purported photostat of the indictment from the Federal Court in Boston was dated September, 1909. In handwriting on the document was written: "Boston, May 6, 1910. I will no [correct] further prosecute this indictment to defendant Bernard Goldfine. William H. H. Garland, Assistant United States Attorney."

An accompanying document bore the same statement. It also said, "Defendant Bernard Goldfine retracted plea guilty."

Mr. Williams commented that "in all fairness to the witness, it appears to me that it would be utterly impossible for something that may have happened in 1909 or 1910, when the witness was 18 or 19 years old, to have any relevance whatever" to the investigation.

The subcommittee counsel, Mr. Lishman, also touched again on meetings Mr. Goldfine had with Mr. Adams in Boston and New York hotels where the industrialist paid the bills. During this questioning Mr. Goldfine's son, Horace Maxwell Goldfine of New York, was called and sworn as a witness. He was questioned on the F. T. C. aspects of the case.

BEFORE HOUSE SUBCOMMITTEE: Bernard Goldfine, left, New England industrialist, and his son, Horace Maxwell Goldfine, at witness table at Washington hearing.

0-20

Mr. Tolson
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
Tele. Room
Mr. Holloman
Miss Gandy
W. C. Sullivan

Bernard Goldfine

UPI -172
ADD 28 ADAMS
LATER GOLDFINE TONED DOWN WHAT SOUNDED LIKE AN ARROGANT ABOVE-THE-LAW POSITION WHICH HE ASSUMED IN THE HEARING, ASSURING REPORTERS AND TV CAMERAS THAT NOT FOR THE WORLD DID HE MEAN SUCH A THING IN HIS EXCHANGE WITH MOSS.
"I MEANT THAT AFTER THIS THING IS OVER, I'LL THEN BE ABLE TO TELL WHETHER I WAS TREATED LIKE EVERYONE ELSE, WHICH IS ALL I WANT," HE SAID.
"MOST SINCERELY, I DIDN'T MEAN TO IMPLY THAT I PUT MYSELF ABOVE THE LAW--NO MAN IS," HE ADDED.
7/10--ES504P

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NOT RECORDED
191 JUL 24 1958

50 JUL 25 1958

WASHINGTON CITY NEWS SERVICE

Mr. Tolson
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
Tele. Room
Mr. Holloman
Miss Gandy
W. C. Sullivan

UPI-173
ADD 29 ADAMS
HOUSE INFLUENCE INVESTIGATORS LISTED 21 OCCASIONS TODAY ON WHICH GOLDFINE PICKED UP HOTEL BILLS FOR ADAMS.

THE BILLS, INCLUDING ONE EACH FOR SARAH AND SAMUEL ADAMS, PRESUMABLY ADAMS' CHILDREN, TOTALED $3,096.58 AND COVERED THE PERIOD FROM DEC. 23, 1953, TO MAY 6, 1958.

PREVIOUS TESTIMONY BEFORE A HOUSE SUBCOMMITTEE INVESTIGATING WHETHER GOLDFINE'S FAVORS TO ADAMS WON HIM PREFERRED TREATMENT AT THE HANDS OF THE GOVERNMENT'S REGULATORY AGENCIES HAD COVERED ABOUT $2,000 IN SUCH HOTEL BILLS.

THE LATEST LIST INCLUDED VISITS AND BILLS LISTED PREVIOUSLY. THREE HOTELS WERE INVOLVED--THE SHERATON-PLAZA IN BOSTON, THE WALDORF-ASTORIA IN NEW YORK, AND THE MAYFLOWER IN PLYMOUTH, MASS.

"PREVIOUS TESTIMONY INDICATED THAT GOLDFINE PAID ABOUT $2,000 IN ADAMS' HOTEL BILLS," THE SUBCOMMITTEE SAID IN A MIMEOGRAPHED ACCOUNT OF THE REVISED LISTING. "RECORDS SUPPLIED BY GOLDFINE REFLECT THAT THE TOTAL AS TO THESE HOTELS NOW IS $3,096.56."

7/10--ES506P

Mr. Tolson
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
Tele. Room
Mr. Holloman
Miss Gandy

W. C. Sullivan

UPI 174
ADD 30 ADAMS
BEFORE GOING INTO CLOSED SESSION TO CONSIDER THE CONTEMPT CITATION THE SUBCOMMITTEE RECESSED ITS PUBLIC HEARINGS UNTIL 10:00 A.M. TOMORROW. IT WAS PRESUMED GOLDFINE WOULD CONTINUE AS THE WITNESS AT THAT TIME.
GOLDFINE'S OUTBURST IN THE EXCHANGE WITH MOSS OBVIOUSLY DISTURBED HIS CORPS OF ADVISERS, AS DID THE CONTEMPT THREAT.
AFTER THE HEARING, GOLDFINE'S LEGAL STAFF DIVIDED. ROGER ROBB AND WILLIAM PORTER, THE WASHINGTON ATTORNEYS, LEFT THE HEARING ROOM, WHILE SEARS AND HIS ASSOCIATE, LAWRENCE COHEN, BOTH FROM BOSTON, HUDDLED IN A CORNER OF THE HEARING ROOM WITH GOLDFINE AND JACK LOTTO, THE PUBLICITY MAN.
ROBB WAS ASKED AS HE LEFT WHAT HIS CLIENT INTENDED TO DO IF CITED FOR CONTEMPT.
HE SHRUGGED HIS SHOULDERS AND SAID, "THE BOSTON TEAM IS HANDLING THAT -- I'VE GOT NO COMMENT."
LOTTO AND THE LAWYERS TALKED TO GOLDFINE RAPIDLY AND INTENSELY, AND THE MANUFACTURER SWABBED HIS PERSPIRING FACE. SEVERAL TIMES HE SPOKE UP FORCEFULLY AND APPARENTLY IN ANGER, BUT POLICE MADE REPORTERS KEEP THEIR DISTANCE SO HIS WORDS COULD NOT BE HEARD.
LOTTO MADE A QUICK TRIP TO A NEARBY TYPEWRITER AND HAMMERED OUT A QUICK STATEMENT FOR GOLDFINE.
7/10--JE510P

BS-8

Probers See 'Influence' in N.H. Mill Case

Adams Possibly Involved in Issue Of Manchester Firm

WASHINGTON — House probers of the Adams-Goldfine case Tuesday night disclosed they have uncovered a new instance of "gross political interference and influence" in the Eisenhower administration, which they have referred to the House armed service committee for investigation.

Chairman Oren Harris (D.-Ark.) of the House legislative oversight subcommittee looking into the affairs of Bernard Goldfine of Boston, millionaire friend of Sherman Adams, chief aide to President Eisenhower, said the case is not related to Goldfine but declined to say whether Adams was involved.

1940 Contract

He said the case involves a 1940 Army contract held by Raylaine Worsted, Inc., Manchester, N.H., and after lengthy discussion by the subcommittee it was decided to refer the matter to the armed services committee because of lack of jurisdiction. He said the case involves non-compliance with the 1940 contract and a settlement in 1957.

"Not only were the mill and the Army involved," said Harris, "but other agencies of the government and other people in government."

He said the officers of the company included a "Perkins Bass" as clerk and secretary from

(Continued on Page Five)

(Continued from First Page)

1938-48, but was not certain this was the same as Rep. Perkins Bass (R-N.H.), a close friend of Adams.

Rep. Bass, informed of the development, said he had no knowledge of the Raylaine company, but said he was a law clerk with a firm which might have handled some of its affairs. Bass was president of the New Hampshire Senate when Adams was governor.

Bass later issued a statement from his office saying he might possibly have signed the incorporation papers of the Raylaine company "purely as a routine and perfunctory matter," although he has no recollection of it.

"Other than possibly signing the incorporation papers 20 years ago I had no further connection with the concern, nor have I ever had any interest whatsoever therein, financial or otherwise," Bass said.

The hearing o fthe House legislative oversight subcommittee moved into executive session to hear matters "more sensational" than those brought out so far in open session, and to consider Goldfine's arguments that the subcommittee lacks jurisdiction to investigate his personal affairs.

Sears Cut Off

Goldfine was abruptly cut off earlier in his demand, as suggested by one of his lawyers, that the subcommittee immediately halt its hearings and allow a federal judge to determine whether the probers' questions are pertinent and relevant.

Chairman Harris rejected the proposal as an improper suggestion that the subcommittee "abdicate its responsibility." He first refused permission for Samuel P. Sears, one of Goldfine's Boston lawyers, to read a statement explaining why Goldfine will not answer questions about his personal business affairs, such as he did 23 times last Friday.

Harris later allowed Goldfine to read the statement with modifications and notice for the record that Goldfine was reading something prepared for him and not giving his own direct testimony.

Harris noted the subcommittee also would consider Goldfine's refusal to answer certain questions in executive session. The subcommittee is primed to cite Goldfine for contempt of Congress unless he changes his stand.

66 JUL 28 1958

Boston Traveler
Boston Herald
Boston Globe
Boston American
Boston Record
Christian Science Monitor

Date: 7/16/58
Edition: Late city
Author or
Editor:
Title:

Class. or
Character:
Page: 1 and 5

NOT RECORDED
191 JUL 24 1958

0-20 (Rev. 7-18-58)

Mr. Tolson
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. W.C. Sullivan
Tele. Room
Mr. Holloman
Miss Gandy

file-o

UPI-81

(GOLDFINE LAWYERS)

BOSTON--A BOSTON LAWYER OF INDUSTRIALIST BERNARD GOLDFINE TODAY PUBLICLY ACCUSED CO-COUNSEL ROGER ROBB OF WASHINGTON OF LEADING GOLDFINE TO THE "BRINK OF THE PRECIPICE" BEFORE A CONGRESSIONAL SUBCOMMITTEE.

THE LETTER RELEASED TODAY BY ATTY. SAMUEL P. SEARS OF BOSTON INDICATED THAT A FORMAL BREAK WAS IMMINENT BETWEEN THE WASHINGTON AND BOSTON LAWYERS. THEY HAVE LONG BEEN AT ODDS OVER THE ISSUE OF WHETHER GOLDFINE SHOULD HAVE ANSWERED "IRRELEVANT" QUESTIONS BY THE SUBCOMMITTEE ON LEGISLATIVE OVERSIGHT.

SEARS RELEASED A LETTER WRITTEN JULY 14 BY HIS ASSOCIATE, ATTY. LAWRENCE R. COHEN OF BOSTON, AFTER ROBB MADE PUBLIC A MEMO IN WHICH HE ACCUSED SEARS AND COHEN OF ADVISING GOLDFINE TO "TELL THE COMMITTEE TO GO TO HELL."

ROBB TOOK THE POSITION THAT GOLDFINE SHOULD ANSWER ALL QUESTIONS THAT WOULD NOT "HARM" HIM, REGARDLESS OF THEIR PERTINENCE TO THE SUBJECT OF POSSIBLE UNDUE INFLUENCE BY GOLDFINE ON FEDERAL REGULATORY AGENCIES. GOLDFINE'S LIBERAL GIFTS AND FAVORS TO PRESIDENTIAL ASSISTANT SHERMAN ADAMS HAVE BEEN THE HIGHLIGHT OF THE SUBCOMMITTEE'S HEARINGS THIS SUMMER.

SEARS SAID HE WAS "ASTOUNDED AT THE IMPRUDENCE OF MR. ROBB'S PUBLIC STATEMENT. IT CERTAINLY CONFIRMS SUSPICIONS AS TO JUST WHOM HE HAS BEEN REPRESENTING.

"I DID NOT WANT TO RELEASE MR. COHEN'S LETTER TO ME IN ANSWER TO MR. ROBB'S MEMORANDUM. BUT NOW I FEEL FREE TO DO SO," SEARS SAID. HE ADDED THAT GOLDFINE HAD APPROVED RELEASE OF THE COHEN LETTER AND WOULD HIMSELF HAVE A STATEMENT LATER TODAY.

COHEN'S LETTER CHARGED THAT ROBB'S POLICY OF "ANSWERING QUESTIONS UP TO THE POINT THAT THEY DO DAMAGE IS TO SAY ' I WILL HALT ONLY ON THE BRINK OF THE PRECIPICE'. TO ME IT SEEMS OBVIOUS THAT THIS APPROACH GIVES THE SUBCOMMITTEE THE POWER TO PUSH YOU OVER THE PRECIPICE."

THE LETTER DENIED THAT SEARS AND COHEN HAD ADVOCATED TELLING THE SUBCOMMITTEE TO "GO TO HELL" BUT HAD USED MILDER LANGUAGE.

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58-3891-A

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117 AUG 4 1958

66 AUG 5 1958

WASHINGTON CAPITAL NEWS SERVICE

0-19 (Rev. 7-18-58)

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Gandy

Lawyer Feud In Goldfine Case Erupts

By David Wise
N. Y. Herald Tribune News Service

On the eve of an expected contempt citation against Bernard Goldfine, his Washington attorney, Roger Robb, last night made available a sensational memorandum he sent to the industrialist's Boston lawyers on July 10 warning them not to "tell the Committee to go to hell."

The memo showed that Robb had warned Goldfine's attorneys almost three weeks ago that questions asked by House influence investigators were "clearly relevant."

The document showed also that Robb disagreed with what he described as the Boston team's position that "we should lightly dismiss the possibility that Goldfine would be cited for contempt."

A House subcommittee probing whether Goldfine got special treatment from Federal regulatory agencies—after they were contacted by Presidential Assistant Sherman Adams—voted Tuesday to cite the Boston textile magnate for refusal to answer 23 questions as "not relevant." The parent House Interstate and Foreign Commerce Committee is expected to recommend con

See PROBE, A-19, Col. 6

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
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N. Y. Times
Daily Worker
The Worker
New Leader

Date JUL 31 1958

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tempt today. After that, it will go to the full House for a final vote.

Robb took the extraordinary step of releasing an internal, confidential memo prepared only for the eyes of lawyers after this reporter brought to his attention the fact that a portion of it was quoted over the weekend in the Boston Globe, together with excerpts from a blistering reply by one of Goldfine's Boston attorneys, Lawrence R. Cohen. Robb said his memo was addressed to Samuel P. Sears, who with Cohen, comprises Goldfine's Boston legal team.

Existence of the memos for the first time revealed the substance of the smouldering feud reported between Robb and the Boston team.

Robb's memo said:

"From the beginning of our representation of Mr. Bernard Goldfine there have been fundamental differences of opinion between us and you with respect to the policy that should be followed by Mr. Goldfine in respect to questions from the committee and its counsel.

"On the one hand, it has been our position, and we have advised Mr. Goldfine, to answer all questions that he possibly could; that each question should be judged upon its merits with respect to pertinency and relevancy; that he should refuse to answer only those questions which were clearly irrelevant and beyond the scope of the Committee's authority; and that, even in the case of irrelevant questions he should answer if he could do so without damage to himself.

"On the other hand, you have argued that Mr. Goldfine should refuse to answer every question that he possibly could; that the test of irrelevancy should be applied with great strictness and that we should lightly dismiss the possibility that Mr. Goldfine would be cited for contempt.

"A fair summary of your position is your statement, which you have made several times 'Tell the Committee to go to hell.' Notwithstanding our differences of opinion, we have done our best to work in harmony with you.

"This afternoon Mr. Goldfine, relying upon your advice, refused to answer a question which in our opinion was clearly relevant, and the answer to which could not reasonably be expected to damage him."

In answer to questions, Robb said Sears had specifically used the expression "tell the Committee to go to hell" on more than one occasion in their private discussions.

He added:

"I don't think it's proper for an attorney to release documents affecting his client. Since Mr. Sears has seen fit to do so, I can say I think its the duty of a lawyer to give his client the best advice he can. That is why I sent the memo to Mr. Sears. Period."

Robb also confirmed that he received a "five- or six-page" answering memo from Cohen in which the Boston attorney denied he used the specific expression "tell the Committee to go to hell" and criticized Robb for employing public relations advisers, who Cohen said had proved more harmful to Goldfine than any charges by the subcommittee. Robb also said that he wrote his memo after Goldfine refused to answer the first of 23 questions, for which he now faces contempt charges, dealing with the operations of two realty firms Goldfine controls, the East Boston Co. and the Boston Port Development Co.

Robert W. Lishman, subcommittee counsel, had asked Goldfine whether in 1946 he and his late business partner had withdrawn $20,000 apiece from Boston Port "allegedly as commissions" with supporting vouchers explaining the reason for the withdrawals.

Goldfine replied:

"I respectfully decline to answer the question because it is not pertinent or relevant to the matters which the subcommittee is investigating or about which it is authorized to inquire."

The next day, the witness declined to answer 22 more similar questions about his withdrawal of more than $100,000 from Boston Port. Lishman charged that Goldfine had "milked" the company of this amount during part of an eight-year period when he failed to file required reports with the Securities and Exchange Commission for the benefit of other stockholders in the company.

Robb's position, disclosed last night, is particularly significant since he is regarded as extremely close to the Administration, which had a large political stake in the hearings because they involved the name of Adams, the Assistant to the President. It is now clear that Robb, at least, urged that Goldfine cooperate with the subcommittee.

0-19 (Rev. 7-18-58)

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Goldfine's Prosecution Will Take Two Years, Says Gasch

U. S. Atty. Oliver Gasch predicted today prosecution of millionaire Bernard Goldfine on a contempt of Congress citation would take "a minimum" of two years.

The House Commerce Committee scheduled a vote today on the citation against Presidential Assistant Sherman Adams' gift-giving friend.

When approved by the committee, the House can vote on the citation at any time and forward it to Mr. Gasch for prosecution.

Roger Robb, Mr. Goldfine's Washington attorney, meanwhile, revealed a memo he sent to his Boston lawyers, warning them "not to tell the committee to go to hell." Legal luminaries are now sore at each other. (UPI)

Wash. Post and Times Herald
Wash. News 7
Wash. Star
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N. Y. Daily News
N. Y. Times
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New Leader

Date JUL 31 1958

NOT RECORDED
117 AUG 5 1958

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0-19 (Rev. 1-28-59)

Tried to Curb Prober Of Goldfine, Harris Says

By PHIL THOMAS
Star Staff Writer

Chairman Oren Harris of the House Legislative Oversight Subcommittee testified here today he had tried to curb his chief investigator in the Bernard Goldfine case at the time the investigator was "bugging" Mr. Goldfine's Washington hotel room.

Representative Harris Democrat of Arkansas, appearing as a witness in a District Court hearing at which Mr. Goldfine is seeking dismissl of contempt of Congress charges, also said members of the subcommittee staff had been given specific orders not to use electronic eavesdropping devices in their investigations.

The subcommittee investigator, Barron Shacklette, was caught last July 6 as he tried to listen in on conversations taking place in a Sherton-Carlton Hotel room occupied by a member of the Goldfine staff. The Boston industrialist was here to testify on his dealings with Sherman Adams, former presidential assistant.

Mr. Harris said that, on July 2, Mr. Shacklette told him he could get a room across from that of Mr. Goldfine's secretary and microfilm his papers when she left.

"I said no. I told him that, in the first place, the committee would not allow it; in the second place, he would end up in the penitentiary," Mr. Harris said.

"I gave him further instructions not to go to the hotel."

Mr. Shacklette, in his court testimony earnier this month, said he had been told by Mr. Harris to "fight fire with fire" concerning rumors that investigators hired by Mr. Goldfine were checking on members of the subcommittee.

But today Mr. Harris denied he had ever told this to Mr. Shacklette.

Mr. Harris said that he learned, early in the morning of July 7, that Mr. Shacklette had been caught in the hotel room with Jack Anderson, a Washington newsman. He said that Roger Robb, attorney for Mr. Goldfine at the time of the committee hearings, told him of the incident.

And about 10 minutes later, Mr. Harris said, Shacklette called from the hotel room.

"I said, 'What in the world are you doing there?

"He said, 'I got caught, boss. I'm sorry.'"

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58-3991-A
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184 MAY 29 1959

The Washington Post and Times Herald
The Washington Daily News
The Evening Star
New York Herald Tribune
New York Journal-American
New York Mirror
New York Daily News
New York Post
The New York Times
The Worker
The New Leader
The Wall Street Journal
Date 5-27-59

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GOLDFINE—*From Page 1*

Committee Votes Goldfine Contempt Action

report sets forth the reasons why it wants Goldfine cited for contempt for his refusal to answer 22 questions as "not relevant." The report says in part:

"It must also be considered that with respect to his troubles before the SEC, Mr. Goldfine testified that he had spoken to Mr. Sherman Adams . . . any disinterested appraisal of the eight-year defiance of the law, taken in conjunction with his failure to comply with a Federal court order in the premises could result in only one conclusion—criminal prosecution for contempt was justified. Yet Mr. Goldfine, as a result of 'a routine inquiry' from the White House, escaped with a nominal fine, and criminal contempt proceedings against him were abandoned."

His Trouble with FTC

Referring to Goldfine's woolmislabelling troubles with FTC, the report adds:

"In connection with the 1954-55 series of violations it must be considered that one of the FTC officials who overruled the project attorney's recommendation for criminal prosecution had been present at a conference with Mr. Goldfine, arranged for him by Mr. Adams, and had heard Mr. Goldfine at the conclusion of the conference telephone Mr. Adams at the White House and tell him that he had a satisfactory conference."

The report assailed Goldfine's engagement of publicity agents and said that the manufacturer was "in contempt" of the subcommittee "even before" he appeared before it.

In advance of his appearance, the report said, "he engaged or caused to be engaged numerous attorneys and press agents, including Mr. Tex McCrary, and began propagandizing the public against Congress and the subcommittee. Before submitting a copy of his statement to the subcommittee it was released to press, radio and television."

The report said "his statement posed Mr. Goldfine as 'a poor, immigrant boy grown successful, who is now being persecuted by a congressional committee because of his innocent generosity to public officials. Nothing could be further from the truth.

"This ingratiating effort by Mr. Goldfine's press agents will not stand the test of the facts in the record. His deductions for tax purposes of gifts to and entertainment expense of public officials indicates he regarded same as expenses in furtherance of his business interests.

"After the subpoena was served on July 11, 1958, Mr. Goldfine's contempt of the subcommittee persisted. He, his attorneys and press agents engaged in what has been called a 'carnival of publicity' aimed at discrediting Congress and the subcommittee and to assist Mr. Goldfine in consummation of his contemptuous refusals to answer relevant questions."

It added:

"The television preview of Mr. Goldfine's statement was an attempt to discredit the subcommittee in advance of his questioning. Had it been done to a court, he would have been summarily punished for contempt."

Meanwhile, Rep. F. Edward Hebert (D-La.) disclosed that Adams had sent him a letter in which the presidential aide said he saw no useful purpose that would be served in his testifying before a House Armed Services Subcommittee probing an Army textile case. The subcommittee, which Rep. Hebert heads, has completed seven days of closed hearings on charges that Adams and several Congressmen influenced the Pentagon's Board of Contract Appeals to refund to Raylaine Worsteds, Inc., of Manchester, N. H., $41,284 in penalties imposed under a World War II Army cloth contract. The White House denied that Adams acted other than "routinely" in referring inquiries to the board.

Hebert said that no public hearings would be held in the case but that the full transcript would be made public next week. He said he sent the transcript to Adams and received the letter in reply. Adams testified voluntarily before the Harris subcommittee about his dealings with Goldfine and the two regulatory agencies.

Adams Testified

He testified he might have acted more "prudently" in contacting the agencies and accepting a vicuna coat, the loan of a $2400 Oriental rug and $3096 in hotel hospitality from Goldfine, an old friend.

[The contempt issue, meanwhile, flushed into the open a feud among Goldfine's battery of Washington and Boston lawyers over whether he should have been a more cooperative witness. The lawyers made public letters accusing each other of bad advice to their client, United Press International reported.

[The wrangle among the lawyers saw one of them scolding the others for—as he put it—advising the textile tycoon to adopt a "go-to-hell" attitude toward the Harris group.

[Attorney Roger Robb of Washington confirmed that he had sent a memorandum to Goldfine's two Boston lawyers, Samuel P. Sears and Lawrence R. Cohen, reprimanding them for telling Goldfine to refuse to answer the 23 questions as irrelevant.

[Sears, in Boston, also confirmed this and accused Robb of leading Goldfine to the "brink of the precipice" before the Subcommittee. Sears said he was "astounded at the imprudence of Mr. Robb's public statement."

[He did not elaborate. But there have been reports Goldfine wanted to retain another attorney in Washington, but that Adams suggested Robb.

[Sears released a letter in which Cohen told Robb on July 14 that the latter's advice to answer questions "up to the point that they do damage" empowered the Subcommittee to push their client "over the precipice."

[Sears said Goldfine approved release of Cohen's letter, which also denied advising a "go-to-hell" attitude.

6-18 (Rev. 1-28-59)

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Court Hears Girl Spied On Probe for Goldfine

Model Hired as a 'Press Receptionist' Really Was Investigator, Reporter Says

By David Wise

WASHINGTON, Apr. 30—The Bernard Goldfine case took a new turn today when a Federal court was told that a brunette model in the Goldfine entourage was actually operating as a master-spy against a House investigating subcommittee.

A court hearing on the "bugging" of Mr. Goldfine's Sheraton-Carlton Hotel room here last July also delved into such matters as the fingerprints on a pack of cigarettes and the identities of a whole nest of alleged private detectives, eavesdroppers, wire tappers and counter-spies.

The Mata Hari testimony came from Jack Anderson, a reporter for Columnist Drew Pearson and a Washington editor of "Parade" magazine. Mr. Anderson swore that Baron I. Shacklette, then chief investigator of the subcommittee, told him that Bea Duprey, Boston model hired by Mr. Goldfine as "press receptionist," was actually running a "counter-espionage operation against the committee."

Accuses Bielaski

Stirring a few more onions into the stew of intrigue, Mr. Anderson testified that Mr. Shacklette also told him that Frank Brooks Bielaski, later identified as a New York private detective and War-time chief investigator for the Office of Strategic Services, was also operating against the subcommittee.

In New York, Mr. Bielaski, whose brother Bruce at one time headed the Bureau of Investigation of the Justice Department, which later became the F. B. I., vehemently denied that he had worked for Mr. Goldfine or anyone connected with him, or, indeed, any way investigated the subcommittee.

Associated Press

CALLED "COUNTER-SPY"—Bea Duprey, "press receptionist" for Bernard Goldfine.

Mr. Anderson also testified that an attorney for Mr. Goldfine, whom he could not identify, had told him that private investigators had compiled dossiers on each Congressman on the committee and turned them over to Robert Kunh, then chief attorney for Mr. Goldfine.

The witness also testified Mr. Shacklette told him that a "Frank Bielaski was operating against the committee to Mr. Goldfine." He said Miss Duprey worked with a "Mr. Williams."

Caught Eavesdropping

Mr. Anderson said that he and Mr. Shacklette attempted to eavesdrop on the Goldfine camp at the hotel to investigate these reports of espionage aimed at discrediting the House unit. Both were caught in the early hours of July 7 in an operation pre-dawn scene that resulted in the dismissal of Mr. Shacklette by nightfall.

According to Mr. Anderson, Mr. Shacklette also told him he was conducting the counter-counter investigation at the direction of Rep. Oren Harris, D., Ark., subcommittee chairman, who has been subpoenaed to testify in the current court hearing.

Edward Bennett Williams, attorney for Mr. Goldfine, is seeking to quash a pending contempt - of - Congress case against the Boston industrialist. He has charged that the indictment is based on "tainted" evidence obtained through the "bugging" and the alleged theft of documents from another hotel room occupied by Mildred Paperman, Mr. Goldfine's financial associate.

Contempt Indictment

Mr. Goldfine was indicted for contempt because he refused to answer eighteen questions July 11 before the House subcommittee then investigating his relations with Sherman Adams, then assistant to President Eisenhower.

C-27

7-3891-A

NOT RECORDED
MAY 5 1959

The Washington Post and Times Herald
The Washington Daily News
The Evening Star
New York Herald Tribune
New York Journal-American
New York Mirror
New York Daily News
New York Post
The New York Times
The Worker
The New Leader
The Wall Street Journal
Date MAY 1 1959

5 7 MAY 6 1959

In cross-examining Mr. Anderson, Mr. Williams asked: "Did you learn that Mr. Bielaski had no connection with Mr. Goldfine, but that in fact Mr. Bielaski was in Virginia" on a divorce case.

In New York, Mr. Bielaski, who operates the Research and Security Corp., 521 Fifth Ave., said that his "chief special agent" John Bone had been in Arlington, Va., working on a "gambling case" unconnected with the Goldfine case, and had returned to New York three weeks before the July 7 "bugging" incident.

Mr. Bielaski, who said he was director of investigation for the Republican National Committee in 1936, said he had never worked for Mr. Goldfine or any of his attorneys. But he said "someone" whom he would name had "asked me if I wanted to work for Mr. Williams on Goldfine's behalf. I said I would not."

The cigarette pack figured in the testimony when Mr. Anderson said a police source had told him that fingerprints "of Mr. Goldfine's son" were found on the pack in Miss Paperman's room after the alleged documents theft. William Jackson Walters, hotel cashier later dismissed, was arrested for the alleged theft but not indicted.

The hearing was recessed until Monday.

0-19 (Rev. 10-29-57)

Goldfine

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Holloman

Contempt Action

Voted

Committee Backs Probe Unit, 30-0

House Action Due On Industrialist's Quiz Defiance

By David Wise
N. Y. Herald Tribune News Service

A recommendation that Boston industrialist Bernard Goldfine, friend of Sherman Adams, be cited for contempt of Congress was sent to the House floor last night.

The full Interstate and Foreign Commerce Committee backed its subcommittee probing Federal regulatory agencies by voting 30-0 for a contempt citation. The recommendation was sent to the House for probable final action next week.

The parent committee acted unanimously after weighing a strong report submitted to it by the subcommittee, headed by Rep. Oren Harris, (D-Ark.), alleging that Goldfine "escaped" criminal prosecution by the Federal Trade Commission and the Securities and Exchange Commission after those agencies were contacted on his behalf by Adams, the Assistant to the President.

The official subcommittee report to the full committee was made available to this reporter last night. It was learned authoritatively, however, that the full Committee had voted in closed session to modify the report and delete several sharp references to Adams.

One of the passages knocked out of the subcommittee report, it was learned, alleges it was "naive" to believe that Goldfine escaped criminal prosecution by the FTC as "a routine matter" since agency officials "knew that Mr. Adams was a friend of Mr. Goldfine."

Adams testified June 17 he sought no special treatment from the agencies for Goldfine when he contacted them.

Should the House approve the contempt citation, it would go to the United States Attorney here for prosecution. Conviction would carry penalties of up to a year in jail and a $1000 fine.

The 42-page subcommittee

See GOLDFINE, A14, Col. 5

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58-3891-A
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117 AUG 4 1958

Wash. Post and Times Herald A-1
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date 8-1-58

STANDARD FORM NO. 64

Office Memorandum • UNITED STATES GOVERNMENT

TO : THE DIRECTOR

DATE: 7/7/58

FROM : L. V. BOARDMAN

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
W.C. Sullivan
Tele. Room
Holloman
Gandy

SUBJECT: MICROPHONE IN ROOM OF
BERNARD GOLDFINE
UNLAWFUL PUBLICATION OF THE
USE OF COMMUNICATIONS STATUTE

At 11:15 A.M. ASAC McAndrews called from WFO to advise that Attorney Robb representing Goldfine had just called stating he desired to make an official complaint of violation of the Unlawful Publication of the Use of Communications Statute (UPUC) in that the microphone installed by the Congressional Committee in Goldfine's room allegedly was so sensitive that both sides of telephone conversations conducted in Goldfine's room while the microphone was in position, could be detected. Robb said that the microphone had this sensitivity, according to Lloyd Furr, who McAndrews understood Robb to say was a member of the Investigative Staff of the Congressional Committee. Robb desired Agents to come to the Carlton Hotel where he was in the room of another of his clients to interview Furr and himself for the details.

I told McAndrews that Agents should not go to the Carlton Hotel but that if Robb or other persons have facts to warrant a complaint they should come to the office and furnish them there. I told McAndrews I did not understand how Furr could be a member of the Congressional Committee but that we should merely take the facts so that they could be referred for an appropriate legal opinion.

I subsequently called McAndrews and he advised that ~~Robb~~ and Furr ~~are~~ coming to the office to furnish details of the complaint. McAndrews said he had ascertained that Furr was an associate of Robb, rather than an investigator for the Congressional Committee.

I told McAndrews to get the facts and promptly give them to the Bureau so that we could furnish them to the Attorney General and the Assistant Attorney General in charge of the Criminal Division.

ACTION:

It would appear that Robb is attempting to stretch the facts to benefit his client. As soon as the details are secured they will be submitted to the Department as indicated above.

AHB:ush
(4)
cc: Mr. Rosen
Mr. Donohue

EX-128

REC-86 139-12-7-4

8 JUL 10 1958

70 JUL 17 1958

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UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to File No.

WASHINGTON 25, D. C.

July 7, 1958

BARON I. SHACKLETTE;
JACK ANDERSON

On July 7, 1958, Lloyd H. Furr, Private Investigator, 1331 G Street, N. W., was interviewed at the Washington Field Office by Special Agents Lloyd Bruce and Leo I. Brosise.

Mr. Furr, who is employed by Roger Robb, Attorney, 1100 Tower Building, 14th and K Streets, N. W., who is Chief Attorney for Bernard Goldfine, Boston industrialist, advised that Mr. Robb requested him to furnish the following information:

Furr stated that at 11:15 p.m. on July 6, 1958, he received a telephone call from Mr. Robb from the Sheraton-Carlton Hotel, 16th and K Streets, N. W., requesting him to report immediately to Suite 800 as he suspected that this suite was "bugged." Furr explained that Suite 800 includes Rooms 800, 802 and 804 and is occupied by Jack Lotto, publicity man for Bernard Goldfine. This suite was to be used for conferences concerning the strategy to be used at the Congressional hearings at which Mr. Goldfine is presently appearing.

Furr stated that Mr. Robb had previously received information from an unknown source that Mr. Shacklette, Chief Investigator for the House Committee on Legislative Oversight, had obtained four tape recorders and he suspected that they were to be used to obtain information concerning Mr. Goldfine. According to Furr, Mr. Robb was prompted to call him because he had noticed a pair of shoes through the opening under a door between Suite 800 and 806.

Furr advised he reached the Sheraton-Carlton Hotel shortly before midnight on July 6, 1958, and at that time a young lady by the name of "Bea" (last name unknown) and one of Mr. Lotto's associates (name unknown) were in Suite 800.

Original to AG. 7-7-58
cc Retained

139-727-7

ENCLOSURE

0-20

Mr. Tolson
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
Tele. Room
Mr. Holloman
Miss Gandy

W. C. Sullivan

UPI-47
ADD 7 ADAMS

LOTTO SAID THE FBI HAS ASSIGNED AGENTS TO INVESTIGATE THE EAVESDROPPING COMPLAINT. GOLDFINE, THROUGH HIS STAFF, ALSO FILED A COMPLAINT WITH OLIVER GASCH, U.S. DISTRICT ATTORNEY FOR WASHINGTON.

LOTTO SAID THAT MISS PAPERMAN, WHO PROBABLY KNOWS MORE THAN ANY OTHER ONE PERSON ABOUT GOLDFINE'S CONTROVERSIAL OPERATIONS, DISCOVERED THAT BOOKS, RECORDS, CORRESPONDENCE, LISTS, CANCELLED CHECKS, PHOTO COPIES, AND OTHER DOCUMENTS BEARING ON THE GOLDFINE CASE HAD BEEN REMOVED FROM THE CLOSET OF HER ROOM..

GOLDFINE, ON COMPLETING HIS TESTIMONY LAST THURSDAY, RETURNED TO BOSTON WITH HIS WIFE AND MEMBERS OF HIS PERSONAL STAFF FOR THE WEEKEND. MISS PAPERMAN STORED A NUMBER OF CONFIDENTIAL FILES IN THE CLOSET OF HER MOTEL ROOM THERE. SHE SAID THE DOCUMENTS WERE IN LARGE SEALED ENVELOPES.

7/7-P1201P

Re: DARON I. SHACKLETTE;
JACK ANDERSON

attached to it which he stated he obtained from Room 606 of the Sheraton-Carlton Hotel. Furr described this microphone as being similar to those used in hearing aids and said that it is a very sensitive instrument. Furr stated that while he does not know what telephone calls were made from the telephone in Suite 600 he knows that the telephone was used almost constantly and that Mr. Robb mentioned that earlier in the evening he had talked on the telephone with Mr. Scara who is Mr. Goldfine's Boston attorney. Furr advised that the telephone in Suite 600 was located approximately eight to ten feet from the point at which the microphone was detected. He said Mr. Robb is of the opinion that the microphone might possibly be capable of picking up the conversations of both parties of a telephone conversation. He pointed out that if this is so Mr. Robb feels the activity of Mr. Shacklette and Mr. Anderson would be a violation of the Federal Communications Act.

0-20

Mr. Tolson
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
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Mr. Holloman
Miss Gandy
W. C. Sullivan

139-727-8

REC-95

NOT RECORDED
167 JUL 14 1958

11 JUL 11 1958

PERS. FILE

UPI -46
ADD 6 ADAMS
ROGER ROBB, ATTORNEY FOR GOLDFINE, SAID THE RECORDS HAD A BEARING ON GOLDFINE'S TESTIMONY BEFORE THE INFLUENCE INVESTIGATING SUBCOMMITTEE.
ROBB SAID HE HAD NOTIFIED WASHINGTON METROPOLITAN POLICE OF THE INCIDENT.
GOLDFINE ALSO LODGED A COMPLAINT WITH THE FBI OVER SECRET RECORDINGS MADE BY A SUBCOMMITTEE INVESTIGATOR AND AN ASSOCIATE OF COLUMNIST DREW PEARSON.
THE INVESTIGATOR, BARON SHACKLETTE, AND JACK ANDERSON, PEARSON'S ASSISTANT, WERE DISCOVERED EAVESDROPPING WITH A MICROPHONE IN A HOTEL ROOM ADJOINING THAT OCCUPIED BY GOLDFINE'S NEW PUBLICITY MAN, JACK LOTTO.
SUBCOMMITTEE CHAIRMAN HARRIS, DESCRIBING THE INCIDENT AS "VERY SERIOUS," CALLED HIS SUBCOMMITTEE INTO AN EMERGENCY SESSION TO CONSIDER THE MATTER.
7/7-P1158A

77 JUL 21 1958

WASHINGTON CITY NEWS SERVICE

ORIGINAL COPY FILED IN

Re: BARON I. SHACKLETTE;
JACK ANDERSON

Furr checked with his equipment and determined that there was a microphone apparently behind an inner door between Suite 800 and Room 806. He explained that he determined this by the fact that he got a "feedback" on his microphone. By getting down on his knees and looking under the door Furr was able to actually see the microphone on the floor in the adjoining room. After waiting about thirty minutes Furr took a wire coat hanger, inserted it under the door into Room 806, hooked the microphone and attached cord and started pulling the microphone and cord into Room 800 from under the door. As he was pulling the microphone from Room 806 Furr said he could feel someone tugging at the other end of it, however, no words were spoken. Furr also pointed out that while he was doing this several newspapermen, who were gathering for a press conference, had come into Suite 800 and at least two of them observed him "fishing" for the microphone.

Furr then went to the door of Room 806 and knocked on it but received no response. He then called one of the assistant managers (name unknown) who also knocked on the door but received no answer. The assistant manager then unlocked the door but it was secured with a chain on the inside. Furr then told the occupants of Room 806 that he was going to surveil the room until they came out and still received no response. After about forty-five minutes or one hour the occupants of Room 806 said they would let in only newspapermen and photographers and opened the door. Furr and Mr. Robb and the young lady named "Bea" entered the room with the newspapermen and at this time they determined the room was occupied by Baron I. Shacklette and Jack Anderson, associate of newspaper columnist Drew Pearson.

While in the room and before he was asked to leave by Mr. Shacklette, Furr observed a brief case and a tape recorder which had apparently been put away in a corner closet. He exhibited a label which he stated was on the tape recorder. This label had typed on it the following: "Deliver to George Bryan, 60 Sutton Place, New York City." Furr also exhibited a small microphone with a length of cord

FEDERAL BUREAU OF INVESTIGATION
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6-102(Rev. 10-29-57)

Client Weary, Robb Says; Hotel 'Bugging' Probed

Tolson
Boardman
Belmont
Mohr
Nease
Parsons
Rosen
Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy
W. C. Sullivan

Microphone Found, Agent Quits Post

BULLETIN

Bernard Goldfine refused to appear before House investigators today. Roger Robb, his attorney, said Mr. Goldfine "is exhausted mentally and physically. This is due to the unusual course of events of the last 36 hours which are familiar to everyone."

By ROBERT K. WALSH and LEE M. COHN
Star Staff Writers

A House subcommittee pursued still more skeptical questioning of Bernard Goldfine today in a search for deeper "significance" behind the microphone eavesdropping by its ousted chief investigator.

The Boston industrialist was scheduled to return for further interrogation in a public hearing. The subcommittee indicated it might postpone today's session if Mr. Goldfine produced a doctor's certificate. The 67-year-old Mr. Goldfine sent word yesterday that fast-breaking developments had worn him out.

Mr. Goldfine's lawyers hinted, moreover, that even if he did appear he might refuse to testify until the subcommittee answers his questions. They demand to know what resulted from the microphone listening-in by Baron I. Shacklette on three occasions in hotel rooms adjoining those of Mr. Goldfine or his aides.

Appearance Undecided

Mr. Goldfine was reported still asleep in his new Statler Hotel suite shortly after 8 a.m. today. Jack Lotto, his public relations man, said no decision had been reached on whether the Boston industrialist would testify today if the subcommittee should insist.

Mr. Lotto hinted last night that Mr. Goldfine may submit a deposition instead of testifying unless the subcommittee answers questions on Mr. Shacklette's use of a hidden microphone and a wire recorder.

Referring reporters to a letter from Mr. Goldfine's lawyer, Roger Robb, to Chairman Harris, Mr. Lotto emphasized this ultimatum by the attorney:

"Before he (Mr. Goldfine) returns to the witness stand . . . I think he has a right to know the answers to questions about possible use of eavesdrop material by the subcommittee and about leaks to Columnist Drew Pearson."

Vigorous Probe Pledged

Whether or not he returns to the witness chair today to explain $776,000 in uncashed checks or reply to additional queries about his friendship with Sherman Adams, the subcommittee has plenty of other matters to occupy its attention.

In unanimously accepting Mr. Shacklette's resignation from the $18,300-a-year job as chief investigator late yesterday, the

Continued on Page A-6, Col. 1

Continued From First Page

subcommittee declared it would not ease up on the Adams-Goldfine inquiry. It promised to be equally vigorous in an effort to get to the bottom of "mysterious developments" of the past few days at a time when the overall investigation was nearing a climax.

Subcommittee Chairman Harris, Democrat of Arkansas, said those matters include charges by Goldfine aides that some of Mr. Goldfine's records were stolen from the hotel room of his secretary, Miss Mildred Paperman, over the week end. Some of those records, Mr. Harris indicated, might be highly pertinent to the questions the subcommittee planned to ask Mr. Goldfine today about the uncashed checks.

Probe Anderson Role

Mr. Harris left little doubt that the subcommittee sees unusual "significance" in the timing and other circumstances surrounding Mr. Shacklette's admitted use of a hidden microphone in Sheraton-Carlton Hotel rooms rented by Jack Anderson, an employe of Mr. Pearson.

"It is particularly significant," he told reporters at the end of a five-hour closed meeting yesterday on the Shacklette issue, "that it happened just at this stage of the investigation. Also it is particularly significant that Mr. Shacklette and Mr. Anderson—or both of them—on three separate occasions last Sunday night, last Wednesday and on the previous Sunday obtained rooms adjoining those occupied by persons associated with Mr. Goldfine. These mysterious developments are something that have got to be pursued."

The chairman nevertheless refused to say whether he believed Mr. Shacklette might have been "trapped" into indiscreet conduct. He insisted that the subcommittee was [illegible] facts it knows them thus far.

EX 105

84-1-229-7

NOT RECORDED
67 JUL 11 1958

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date JUL 8 1958

52 JUL 15 1958

"Overzealous," He Admits

In any event, the subcommittee obtained enough facts yesterday to convince all its members that the 48-year-old veteran investigator had been so imprudent and had acted in such an unauthorized manner than he was not needed — subcommittee.

"I was overzealous," Mr. Shacklette was quoted by Mr. Harris as telling the subcommittee, "and did not stop to think of the harm that might be done to the work of the subcommittee through my action. I am sorry. My resignation is submitted herewith."

Mr. Harris added that "Mr. Shacklette's services were terminated immediately." Thus abruptly ended an investigative career Mr. Shacklette has had with various governmental administrative or congressional groups for the last 18 years. He returned to his Waldorf (Md.) farm home where he raises police dogs.

Try to Regain Initiative

Meanwhile, the subcommittee made strenuous efforts to regain the initiative, if not the spotlight, by attempting to refute in detail the Goldfine charges and to raise questions about the tactics of Goldfine.

It reported that Mr. Shacklette swore he had not stolen records from Goldfine rooms nor even entered any of those rooms. It also said he denied under oath that he recorded or transcribed any confidential information he and Mr. Anderson heard by using the microphone. Mr. Shacklette, according to Mr. Harris, admitted having taken a "hi-fi set" to the hotel room, but heard nothing worth recording.

The subcommittee thus contends that it has received no such information, recorded or otherwise, from Mr. Shacklette. Mr. Harris declared that even if there had been such material the committee would not use it.

Tactics Condemned

Emphasizing that the subcommittee not only refused to condone but actually "condemns" the tactical eavesdropping tactics of Mr. Shacklette, Mr. Harris maintained:

"This subcommittee will not be diverted from its purpose and objective. No information has been, is being or will be used that has not been obtained in the regularly legitimate and accepted way. The real purpose of this subcommittee's work must not and will not be impaired."

Mr. Harris recalled that the subcommittee took the same general position last February when an aide to Dr. Bernard Schwartz, the then chief counsel, admitted having used a recording device in a briefcase while interviewing Richard A. Mack. Mr. Mack subsequently resigned under fire as an FCC Commissioner.

Referring to the use of the microphone by Mr. Shacklette in the Goldfine case, and to the Goldfine complaint that his records were stolen, Mr. Harris announced that the subcommittee has asked the FBI and the Metropolitan Police to "fully investigate all phases of it and all the charges."

Robb Presses Fight

Trying to take the offensive, Mr. Robb, in two letters to Mr. Harris yesterday shifted the spotlight away from the issue of Mr. Goldfine's dealings with Mr. Adams and focused the news on the questionable tactics employed by Mr. Shacklette.

Reporters covering the story noted that the fast-breaking events—"bugging" of at least one hotel room and charges that some of Mr. Goldfine's records had been stolen—almost squeezed Mr. Adams out of the newspapers.

Mr. Robb demanded that Chairman Harris switch the investigation from Mr. Goldfine's dealings to interrogation under oath of all those who know anything about the hotel incidents.

Furthermore, the burglary charge left an opening for Mr. Goldfine to claim that he is unable—though willing—to answer the subcommittee's questions. There was still no detailed report available this morning of what documents were stolen in the reported burglary, but Mr. Lotte "assumed" the missing documents were basic to Mr. Goldfine's testimony.

Goldfine Leaves Hotel

At midafternoon yesterday Mr. Lotte told reporters Mr. Goldfine had stayed in bed all day and was "sick."

But when the millionaire industrialist finally moved from the Sheraton-Carlton to the Statler at 7:40 p.m., he said he had not been sick.

"I haven't slept for 24 hours and I feel very tired," he told reporters following him across K street. "I need a lot of rest," he added, announcing plans to eat dinner and go to bed.

He said chances of his testifying would depend on "how I feel in the morning." Mr. Robb

PRESS AIDE—This is Reg Dupuy, 20, of Weymouth, Mass., hired by Bernard Goldfine three weeks ago as a press receptionist. She explained she is a mode and attends Simmons College in Boston, where she is studying retailing and advertising.—AP Photo.

had requested a postponement until Wednesday at the earliest.

Walking slowly, but probably no more so than the average 67-year-old, Mr. Goldfine said he felt "fair." His cheeks were rosy and he linked arms with his wife and Mr. Lotto. His sons Horace and Solomon also trooped across the street to the Statler and went up in the elevator to the Goldfine suite.

As the door closed, Solomon Goldfine chuckled over a reporter's advice:

"Don't trip over the wires." Experts in the Goldfine party presumably had checked the new accommodations for hidden microphones.

Legality Questioned

One of the many disputed points about Mr. Shacklette's avowedly self-appointed role in "bugging" hotel rooms of the Goldfine entourage was whether such operations were illegal.

Law enforcement officials here gave cautious and informal opinions that no law seems to have been broken. Mr. Shacklette himself told the subcommittee yesterday that at no time did the microphone "trespass" on rooms of Mr. Goldfine or his aides. He said it always stayed in the adjoining rooms.

Mr. Robb raised a question, however, as to whether some statute might have been violated if the microphone and recording device picked up voices using the telephone. That, he surmised, might amount to wiretapping.

More immediately interesting, in view of the subcommittee's search for "significance" in the Shacklette-Anderson operations, were explanations as to how the two men obtained such convenient hotel accommodations in the first place.

Connivance Denied

Michael T. McGarry, general manager of the Carlton, denied Mr. Lotto's insinuations that someone in the hotel may have worked with Mr. Anderson and Mr. Shacklette in planting the microphones and allegedly stealing records from the room occupied by Miss Paperman.

"I am convinced that no Sheraton employe was knowingly responsible for the coincidence of neighboring room assignments," he said. "We had no knowledge that the committee investigators were in the hotel or that any equipment had been brought into the hotel which might be used to overhear guests in the privacy of their own rooms."

Reconstructing events from hotel registration records, he told reporters: "We've been made the patsies."

Gets Room for Friends

Mr. McGarry said a man registering as George Bryan of New York checked into the hotel on July 2, switched from Room 823 to Room 843, which is opposite Miss Paperman's room, and checked out July 4. He returned to Room 843 July 5 and checked out at 7:55 a.m. yesterday, a few minutes before Miss Paperman said she discovered the theft.

On Sunday, July 6, he picked Room 806 for friends he identified as Mr. and Mrs. Elliott Brooks of Salt Lake City, and registered for them. Mr. Shacklette and Mr. Anderson were found with the eavesdropping equipment in Room 806, adjoining Mr. Lotto's Room 860.

Mr. McGarry theorized that Mr. Bryan and Mr. Brooks were the same man—either Mr. Shacklette or Mr. Anderson. He speculated further that the same guest used Room 843 to learn that Mr. Lotto had moved into Room 800, then selected Room 806 for "Mr. and Mrs. Brooks."

Check-in Time at Issue

Mr. McGarry denied Mr. Lotto's assertion that "Mr. Brooks" checked in before Mr. Lotto. Mr. Lotto's registration card was time-stamped 3:57 p.m. Sunday but the room clerk neglected to stamp the Brooks card. However, the room clerk does not go on duty until 3:30.

Mr. Robb charged that Mr. Shacklette also was in Room 206 at the Carlton—adjoining Mr. Goldfine's Suite 200—from June 29 through July 3. He wrote Chairman Harris that "we have reason to believe that during this period Shacklette eavesdropped on and recorded confidential communications between us 'the lawyers' and Mr. Goldfine."

Mr. McGarry said "Mr. Brooks" registered in Room 206 on June 29.

Delay on Reporting Theft

Skeptical questioning of Miss Paperman by reporters focused on her delay in reporting theft of the records from her closet in room 842.

She said she returned from Boston at about 10:30 p.m. Sunday and noticed that the bolt was open on the door connecting with adjoining room 844—vacated by Mr. Goldfine's son, Solomon. Tired from the trip, she closed the bolt and went to bed without opening her closet.

At 8 a.m. yesterday, she said, she opened her closet to dress and discovered that packages of papers had been undone and some were missing. Pending a thorough check, she thought one of four packages was stolen. Included in the missing papers were bank records, correspondence, lists, documents, photostats and letters that had been sealed and marked "personal."

Miss Paperman said she also discovered that her room had been ransacked, with some of the contents moved from one side of the room to another. Although she does not smoke, an empty cigarette pack was on the floor. A piece of paper with the numbers 844 and 841 was near the bed. A bottle of Chanel perfum in her dresser drawer had been emptied.

Quizzed by Police

At that point, Miss Paperman related, she phoned Mr. Goldfine and the hotel's assistant manager, then went out to keep an appointment. She refused to divulge the purpose of the appointment.

When she returned in her room at about 10:16 a.m., she continued, Mr. Goldfine had contacted Mr. Lotto who had called Mr. Robb. She then called Metropolitan Police at about 10:30 a.m.—about two and a half hours after discovering the theft and 12 hours after finding her door unbolted.

Police questioned her at length. Usually calm, she was visibly shaken by the interrogation of police and reporters. Mr. Lotto held her hand to steady her as she talked to newsmen.

During the afternoon police left the hotel carrying a large wad of brown wrapping paper—presumably from the missing records. The paper bore a label with the return address of Strathmore Woolen Mills, one of Goldfine's companies.

Got No Money

The subcommittee said Mr. Shacklette used the hotel room with Mr. Anderson at Mr. Anderson's invitation.

In that connection, Mr. Harris said, Mr. Shacklette told the subcommittee he did not accept any money from Mr. Pearson for supplying any information about the investigation.

"Mr. Shacklette has very readily admitted," Mr. Harris said, "that he received information from Jack Anderson that he had received a tip that a firm of public relations people were coming to Washington to discuss strategy with their employer, Mr. Goldfine. "Mr. Anderson stated to Mr. Shacklette that his informant gave him other information from which he believed it possible that this public relations firm might know the identity of the individuals who were investigating subcommittee members. He further stated to Mr. Shacklette his belief that a vicious war of terror was being waged to intimidate the subcommittee members and discredit the work of the subcommittee."

MISSING PAPERS AND HIDDEN MIKES—Miss Mildred Paperman, secretary to Bernard Goldfine, shows where she put some of Mr. Goldfine's personal papers reported stolen from her room at the Sheraton-Carleton Hotel. At right, Baron I. Shacklette, chief investigator for the House Subcommittee on Legislative Oversight, talks with reporters outside the meeting room shortly before the subcommittee accepted his resignation after learning he used a hidden microphone in the Goldfine case.—AP Photos.

0-1c (Rev. 10-29-57)

REC-55

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Boardman
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Tamm
Trotter
Clayton
Tele. Room
Holloman
Gandy

W. C. Sullivan

Prober Fired For 'Bugging'

(Special to the New York Mirror)

WASHINGTON, July 7 — The Harris subcommittee today fired its top investigator, Baron I. Shacklette, for using hidden microphones. But the committee hinted somebody deliberately trapped the sleuth into his indiscreet act.

The committee took its action after Bernard Goldfine's attorney charged the Congressional investigator eavesdropped on confidential conversations between Goldfine and his associates from June 29 to July 3.

Attorney Roger Robb said this was in addition to use of a microphone to hear what was said in a suite used by aides to the Boston industrialist.

ROBB WROTE the House investigating subcommittee that he had "documentary proof" that Shacklette occupied a hotel room adjoining Goldfine's and "we have reason to believe, eavesdropped on and recorded confidential communications." He demanded the return of any recordings made of conversations.

"Shacklette has already admitted he engaged in such eavesdropping and made such recordings of conversations in the suite of Jack Lotto, Goldfine's press representative, on the night of July 6," the letter said.

Goldfine's attorneys told the committee that Shacklette used Room 206 in the hotel, which adjoins Suite 200, which Goldfine was occupying.

ROBB'S CHARGE of the eavesdropping by Shacklette came after disclosure that some of Goldfine's files had been stolen during the weekend and the finding of a microphone planted to listen in on conversations in Lotto's room.

BARON SHACKLETTE
Bounced because he "bugged."
(AP WIREphoto)

The fast-breaking sensations all but obscured the Congressional investigation of the Boston industrialist, whose attorneys asked postponement of his scheduled testimony tomorrow before a House investigating committee. They said Goldfine was exhausted and upset over weekend ransacking of his papers.

GOLDFINE CHARGED "Gestapo tactics" in the use of the microphone.

The probe of Goldfine's relations with Presidential aide Sherman Adams was suddenly switched into an investigation by the special House committee of its own staff. Police also were interested and the FBI was asked to move in.

Baron I. Shacklette, the committee's chief investigator, was in a hotel room next door to Goldfine aide Jack Lotto when the microphone was found. Jack Anderson, a legman for columnist Drew Pearson, was with Shacklette.

Before this development had time to cool off, Goldfine's secretary reported that some of his bank records, correspondence and other documents were stolen from her room in the same hotel.

The secretary, Mildred Paperman, said she had left the papers locked in the room while she returned to Boston for the weekend, and found them missing this morning.

GOLDFINE said about the microphone: "I'm shocked beyond words by such disgraceful conduct by an official representative

Continued on Page 4

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date JUL 8 1958

REC-55 139-727

NOT RECORDED
267 JUL 15 1958

67 JUL 21 1958

He said the suggestion will be made to Miss Paperman, Mr. Lotto and others in the Goldfine party as well as to Mr. Shacklette and Mr. Anderson.

Police have not yet put their suggestion to the fired chief investigator nor to the Pearson employe.

Chief Scott said Miss Paperman had already been asked to submit to fingerprinting to eliminate her prints from the papers but had said she would have to clear it with Mr. Robb. He said the proposal for voluntary elimination through lie detector tests would be put to Mr. Robb for the Goldfine employes.

Mr. Robb said the hidden microphone and recorder probably could have picked up telephone conversations in his room, as well as conversations among occupants.

Scoffing at implications that the Goldfine party trapped Mr. Shacklette into using a hidden microphone, Mr. Robb declared: "We trapped Shacklette the same way Khrushchev trapped Nixy."

He said he had been suspicious of the electronic eavesdropping "from the very beginning of the case because "that's the way things are done in Washington sometimes."

Mr. Lotto hinted last night that Mr. Goldfine may submit a deposition instead of testifying unless the subcommittee answers questions on Mr. Shacklette's use of a hidden microphone and a wire recorder.

Ultimatum Issued

Referring reporters to a letter from Mr. Robb to Mr. Harris, Mr. Lotto emphasized this ultimatum by the attorney:

"Before he (Mr. Goldfine) returns to the witness stand . . . I think he has a right to know the answers to questions about possible use of eavesdrop material by the subcommittee and about leaks to columnist Drew Pearson."

In unanimously accepting Mr. Shacklette's resignation from the $16,300-a-year job as chief investigator late yesterday, the subcommittee declared it would not ease up on its inquiry into the affairs of Mr. Goldfine and his relationship with Sherman Adams, President Eisenhower's top assistant. It promised to be equally vigorous in an effort to get to the bottom of "mysterious developments" of the past few days at a time when the overall investigation was at its climax.

Jack Anderson Role

Mr. Harris left little doubt that the subcommittee sees unusual "significance" in the timing and other circumstances surrounding Mr. Shacklette's admitted use of a hidden microphone in rooms rented by Jack Anderson.

"It is particularly significant," he told reporters at the end of a five-hour closed meeting yesterday on the Shacklette issue, "that it happened just at this stage of the investigation. Also it is particularly significant that Mr. Shacklette and Mr. Anderson—or both of them—on three separate occasions last Sunday night, last Wednesday and on the previous Sunday obtained rooms adjoining those occupied by persons associated with Mr. Goldfine. These mysterious developments are something that have got to be pursued."

"Overzealous," He Admits

In any event, the subcommittee obtained enough facts yesterday to convince all its members that the 48-year-old veteran investigator had been so imprudent and had acted in such an unauthorized manner that he was not needed by the subcommittee.

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Mr. Harris added that "Mr. Shacklette's services were terminated immediately." Thus abruptly ended an investigative career Mr. Shacklette has had with various governmental administrative or congressional groups for the last 18 years. He returned to his Waldorf (Md.) farm home where he raises dogs.

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Mr. Robb demanded that Chairman Harris switch the investigation from Mr. Goldfine's dealings to interrogation under oath of all those who know anything about the hotel incidents.

Opening for Goldfine

Furthermore, the burglary charge left an opening for Mr. Goldfine to claim that he is unable—though willing—to answer the subcommittee's questions. There was still no detailed report available this morning of what documents were stolen in the reported burglary, but Mr. Lotto "assumed" the missing documents were basic to Mr. Goldfine's testimony.

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Law enforcement officials here gave cautious and informal opinions that no law seems to have been broken. Mr. Shacklette himself told the subcommittee yesterday that at no time did the microphone "trespass" on rooms of Mr. Goldfine or his aides. He said it always stayed in the adjoining rooms.

Mr. Robb raised a question, however, as to whether some

0-19 (Rev. 10-29-57)

BYRON I. SHACKLETTE
JACK ANDERSON
UPUC

REC-86

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Furr Forte: Tapper Trapping

By M. D. Rosenberg
Staff Reporter

"As long as Bernard Goldfine is in town, and as long as the investigation continues, I'll be on the job."

Private Detective Lloyd B. Furr sat in his office at 1331 G st. nw. last night and eyed the small gray microphone on his desk. Using special electronic equipment, Furr detected the microphone in a room next door to a Goldfine aide's hotel suite on Sunday night.

Furr

An investigator for the House Subcommittee looking into the Goldfine-Adams case has admitted placing the microphone to hear what was being said in the room.

Furr said that Roger Robb, Goldfine's attorney, told him he suspected rooms or suites at the Statler and Sheraton-Carlton hotels "were bugged or would be bugged." On Monday, June 30, Furr began his assignment.

Furr said this wasn't the first job he handled for Robb. A veteran of 11 years with the Metropolitan Police, Furr resigned in 1953 to open his agency. That same year he made headlines as investigator for radio commentator Fulton Lewis Jr., who waged an abortive one-man feud against officials of St. Mary's County, Md. Robb was Lewis' attorney.

In that case, information was gathered for Lewis by placing a recording machine in a hotel room. The hotel suite was wired for sound and the recordings were monitored in an adjacent room.

"Since then I have done many jobs for Robb—but I can't talk about them now," Furr smiled. He said the other jobs had no connection with the Goldfine investigation.

Furr, 30, smoothed his graying hair and then patted the miniature microphone. "This is the only real evidence we have in hand," he mused. "I'm going to hold on to it." He smiled again. "I got a pat on the back from everyone concerned—including Mr. Goldfine."

The backbone of Furr's business is giving lie detector tests to employes and job applicants of some 200 companies in the Washington area. He also does "management surveys and morale surveys," the detective said.

But Furr had more than his business on his mind yesterday. He visited his wife, Ruby, at Columbia Hospital shortly after she gave birth to their first child, a boy.

166

Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date 7-8-58

REC-86

170 JUL 10 1958

EX-128

27 JUL 21 1958

Tolson
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Clayton
Tele. Room

Private detective Lloyd B. Furr shows how he pulled a microphone and wire from under a hotel door.

N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
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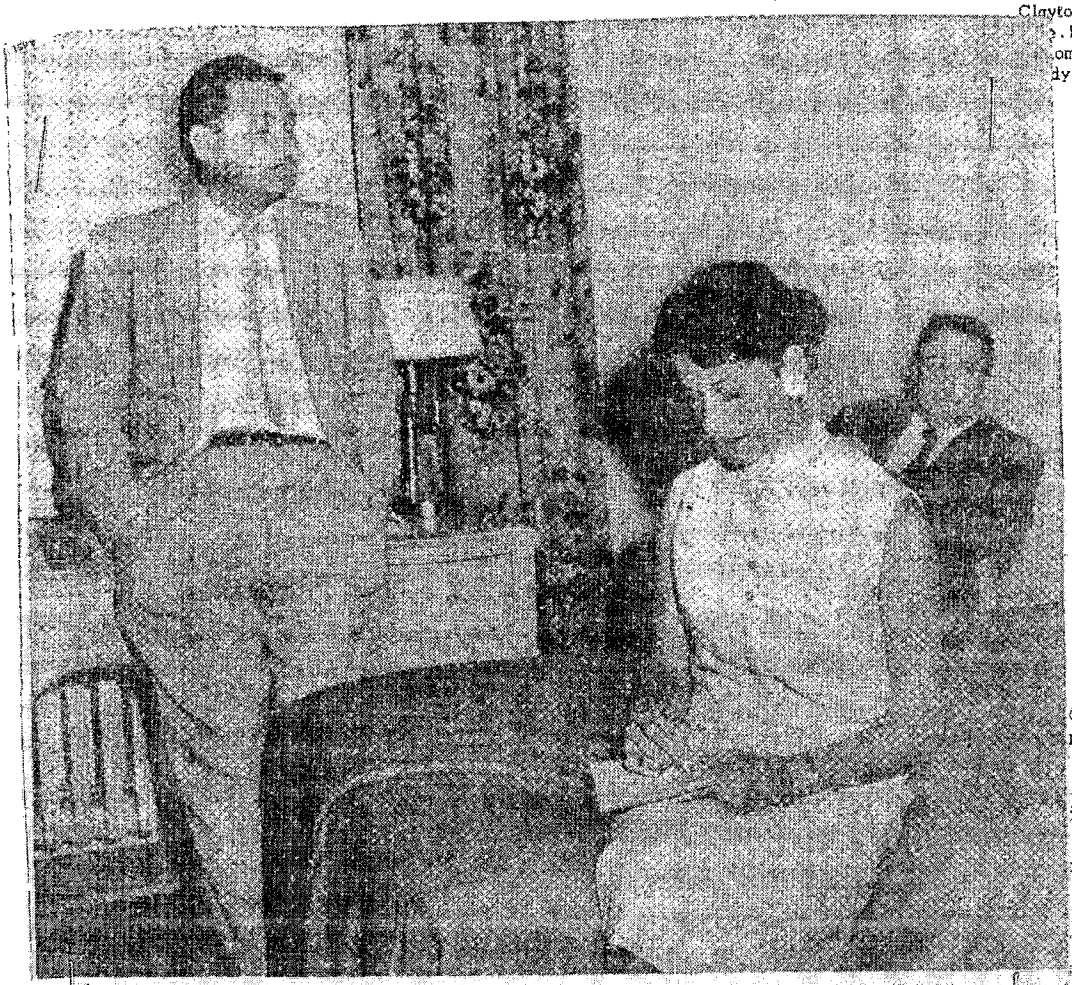

United Press International

Baron I. Shacklette, at right, who "resigned" yesterday as chief investigator in the Goldfine-Adams probe, and Jack Anderson, an assistant to columnist Drew Pearson, are shown at a press conference earlier in the day in the room in which they allegedly placed a microphone to eavesdrop on conversations in the room of Bernard Goldfine's press agent. The girl taking notes is Bea Duprey, 20-year-old model, who is Goldfine's press receptionist. She walked into the room with reporters.

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News

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Date

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Mr. Tolson
Mr. Boardman
Mr. Belmont
Mr. Mohr
Mr. Nease
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Trotter
Mr. Clayton
Tele. Room
Mr. Holloman
Miss Gandy
W. C. Sullivan

UPI-122
(HOFFMAN-ADAMS)
REP. CLARE E. HOFFMAN (R-MICH.) SAID TODAY LATEST DEVELOPMENTS IN THE ADAMS-GOLDFINE CASE MAKE IT IMPERATIVE FOR THE HOUSE TO INVESTIGATE ITS INVESTIGATING SUBCOMMITTEE.
HOFFMAN DENOUNCED AS "DISGRACEFUL" AN EAVESDROPPING EPISODE IN A LOCAL HOTEL INVOLVING DREW PEARSON ASSOCIATE JACK ANDERSON AND BARON I. SHACKLETTE, SUBCOMMITTEE INVESTIGATOR.
HE TOLD THE HOUSE SHACKLETTE WAS A "BAD, BAD EGG" AND SAID THE INFLUENCE-INVESTIGATING SUBCOMMITTEE SHOULD HAVE KNOWN THIS. HE SAID SHACKLETTE HAS BEEN "HANGING AROUND" CONGRESSIONAL COMMITTEES FOR YEARS.
HOFFMAN SAID ANDERSON'S ABILITY ON THREE OCCASIONS TO GET HOTEL ROOMS NEXT TO PERSONS IN THE BERNARD GOLDFINE PARTY SHOWS THAT "SOMEBODY IN THE HOTEL" WAS WORKING FOR PEARSON.
HE SAID THIS WAS A PEARSON PRACTICE DATING BACK MANY YEARS TO THE TIME OF CORDELL HULL, WHEN HE SAID A HOTEL TELEPHONE OPERATOR LISTENED IN ON SOME OF HULL'S CONVERSATIONS AND REPORTED TO PEARSON WHAT WAS SAID.
HOFFMAN SAID THIS AND OTHER DEVELOPMENTS IN THE GOLDFINE-ADAMS INQUIRY PROVE THE NEED FOR PASSAGE OF A PENDING RESOLUTION TO INVESTIGATE CONDUCT OF THE INVESTIGATING SUBCOMMITTEE.
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WASHINGTON CITY NEWS SERVICE

-19 (Rev. 10-29-57)

Probers Grant Day's Delay to Industrialist

Client Weary, Robb Says; Explanation Sought on Checks

By ROBERT K. WALSH and CECIL HOLLAND
Star Staff Writers

House investigators today granted Bernard Goldfine a one-day delay in appearing again for questioning. They warned, however, that they expect him to produce tomorrow the records they had requested him to submit at a resumption of open hearings this morning.

The postponement was ordered after Chairman Harris of the House Legislative Oversight Subcommittee criticized the Boston industrialist's failure to appear this morning. Mr. Goldfine's attorneys told the subcommittee that Mr. Goldfine needed the postponement because of "mental and physical exhaustion."

"I can see if there is not a change in attitude, there is going to be a clash," Mr. Harris said.

"The committee will be prepared for it."

Exhausted by Events

Attorney Roger Robb said Mr. Goldfine's "exhaustion" was caused by yesterday's series of sensational developments. These included the planting of a microphone next to a room occupied by one of Mr. Goldfine's aides and the reported theft of papers belonging to Mr. Goldfine.

Mr. Goldfine had no doctor's certificate to back up his claim that he is "exhausted."

The industrialist said he had consulted his personal physician in Boston by phone, but had not seen a local doctor.

Mr. Robb told reporters he did not know how vital the stolen papers were to Mr. Goldfine's testimony. He said copies are available of some of the missing documents.

Mr. Harris set tomorrow's hearing for 10 a.m.

Demands Records

He emphasized that he expected Mr. Goldfine to submit records which had been requested by the subcommittee, including those involving $776,800 in uncashed checks drawn on Goldfine companies over the years.

Mr. Robb said Mr. Goldfine would fully explain the matter of the uncashed checks which run back to 1949.

But the attorney left some doubt about what records Mr. Goldfine would submit regarding those checks. He added that Mr. Goldfine would refuse to answer questions about the affairs of his companies because he considers such

Continued on Page A-8, Col. 1

Continued From First Page

questions outside the scope of the subcommittee's investigation.

"What you are saying," said Representative Bennett, Republican of Michigan, "is that he will make an explanation and we will have to take his word for it."

Accounts Held Pertinent

The Michigan Republican said Mr. Goldfine's companies which include textile mills in New England are subject to regulation by the Federal Trade Commission and in some cases by the Securities and Exchange Commission. He added that account books of those companies, as they relate to the handling of the uncashed checks ought to be produced.

"Personally I think they are pertinent," Mr. Bennett said.

Mr. Robb replied that almost all companies in the country are subject to regulatory agencies. He said it nevertheless does not follow that all the affairs of the Goldfine companies would come within the authorized scope of the subcommittee's inquiry to determine whether there has been improper interference with the independence of six specified Federal regulatory agencies.

The attorney explained that he was telling the subcommittee only what he had heard from Mr. Goldfine. He said he understood that none of the checks were used for purposes which would fall within the subcommittee's investigation.

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Undisclosed

Both Mr. Harris and Mr. Bennett disclosed that documents promised two weeks ago to the subcommittee by Miss Mildred Paperman, a bookkeeper for the Goldfine interests, have not yet been produced. Mr. Robb promised to look into this matter in conferences during the day with Mr. Goldfine and his aides.

In that connection, Mr. Bennett advised Mr. Robb that it would seem to be in Mr. Goldfine's interest to submit any and all documents that might clear up what Mr. Bennett described as "suspicions" that have arisen about the checks.

There was an air of tension in the House caucus room when Mr. Harris rapped the hearing to order and asked:

"Is Mr. Goldfine present?"

"No sir, he is not," Mr. Robb answered.

"Why isn't he here, Mr. Robb:" the chairman asked.

Exhaustion Stressed

Mr. Robb then cited "the series of events" in the last 48 hours which he said had left Mr. Goldfine "in a state of physical and mental exhaustion."

He referred to the microphone eavesdropping and the alleged theft of some Goldfine records from hotel rooms of Mr. Goldfine's aides.

In the aftermath of the microphone incident, the committee fired its chief investigator, Baron J. Shacklette, who had rigged electronic recording equipment in a room next door to a room occupied by [illegible] Lotto, Mr. Goldfine's agent.

Mr. Shacklette was in a room also occupied by Jay Emerson, an assistant of columnist Drew Pearson.

Mr. Shacklette denied any connection with the reported removal of the Goldfine papers.

Mr. Robb called on the FBI to investigate the "bugging," and Mr. Lotto complained to United States Attorney Oliver Gasch. Mr. Lotto also was considering suing the Sheraton-Carlton for "invasion of my privacy."

Mr. Harris also had asked for a full investigation by the FBI and Metropolitan Police.

Fingerprint Test Urged

Washington Deputy Police Chief E. E. Scott, head of the detective division, said today he had instructed his men working on the alleged burglary to suggest to all those interviewed that they could "voluntarily eliminate themselves from suspicion by submitting to fingerprinting, providing handwriting specimens

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Belmont
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Parsons
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Tele. Room
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Gandy

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Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date JUL 3 1958

GOLDFINE: Says Files Are Stolen

Continued from Page 2

of a Congressional committee. I think it is worse than Russia. Worse than the Gestapo."

The incidents topped all recent developments in the House probe of charges that Goldfine showered gifts on Adams and other Federal employes, and got special treatment in return. Adams and Goldfine have denied there was any special treatment.

Shortly after Goldfine returned from a weekend in Boston, Lotto arranged to hold a midnight press conference on some records Goldfine had brought back.

Reporters gathered in Lotto's hotel suite, but the news conference never came off. While they watched, former Washington policeman Lloyd W. Furr, hired by Goldfine attorneys a week ago to check on eavesdropping, slid a wire coat hanger under a locked door connecting to the next suite.

Furr yanked the hanger back swiftly and out came a small gray microphone trailing behind several feet of cord.

LOTTO IMMEDIATELY pounded on the hallway door of the adjoining room. But it was 45 minutes before the locked suite was opened.

Shacklette did most of the talking while Anderson sat in an adjacent chair. Anderson said he had obtained the suite under the name of Brooks. Shacklette said, "I took advantage of his hospitality."

Pearson, commenting later on the incident, paraphrased words from a statement by President Eisenhower and said:

"Jack Anderson of course was imprudent, but I need him."

WHEN THE GOLDFINE gifts to Adams first came to light, Eisenhower had said Adams was imprudent, but that he needed him.

U. S. Attorney Oliver Gasch later said Lotto called him to ask whether the "bugging" of Lotto's room violated any local law. Gasch said he told him that offhand he knew of no law making it a crime to eavesdrop by a mechanical device. Gasch said a further check was being made, but added he doubted very much whether it would show any violation.

Goldfine attorney Roger Robb said he had sent a letter to Harris saying these questions should be answered in testimony under oath from all those having knowledge of the facts:

1. Has Shacklette or other subcommittee investigators picked up confidential information through listening in on Goldfine's suites?

2. Has confidential information been given to subcommittee counsel Robert W. Lishman in his quizzing of Goldfine?

3. Has confidential material been given Pearson, who, Robb said, publishes material critical of Goldfine?

Miss Paperman told reporters she went to a closet about eight o'clock this morning and noticed that four packages of documents and correspondence had been undone and handled. She said she had the impression one of the packages is missing.

Grand Jury Inquiry Asked In Clegg Case

Attorney Urges Sifting Of 'Outrageous' Charge In Behalf of Detectives

By Robert Bruskin
Post Reporter

A grand jury investigation of charges made by Julius Willie Clegg, 28, that he was beaten by police was asked yesterday by Attorney Charles E. Ford.

Ford made his request in a letter to Police Supt. Robert J. Barrett "on behalf of the officers alleged to be involved."

Clegg, a Negro war veteran and employe of The Washington Post, accused police through his attorney Roger Robb, of holding him without charges for 34 hours and beating him at Detective Bureau headquarters.

He identified two detectives as his assailants, but their names have not been disclosed by police.

Ford, who vacationed last week in Atlantic City, praised Chief Barrett, who has just returned from a vacation at Atlantic City. The letter declared:

"Believe me, the good citizens of the District of Columbia continue to admire you and your department in the fine and honest services you are rendering them."

Ford's letter added: "For not unknown and obvious reasons (not civic-minded), certain persons have been engaged in aiding and assisting Clegg in his outrageous and unfounded complaint."

There was no explanation of what Ford meant. He is still out of the city.

He declared the detectives involved "ask the opportunity to appear before a grand jury and will gladly sign a waiver of immunity."

Barrett said he planned to do nothing until he receives a report from Chief of Detectives Floyd A. Prescott Wednesday morning.

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

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Twenty four hours a day just aren't enough for Vincent Saccardi to accomplish all the things he'd like to do.

Crime Forum Plan

Saccardi Heads Justice Association

VINCENT SACCARDI

Vincent Saccardi, manager of the Washington district of the Metropolitan Life Insurance Co., has been elected president of the Washington Criminal Justice Association.

He was elected at the annual meeting of the board of directors at which a plan to conduct a crime forum, possibly next fall, was discussed.

According to the plan, public officials from the Police Department, courts, Department of Corrections, etc., would be asked to speak on the trends in curtailment of crime here. At the same time the public would learn of the aims and functions of the association, board members learned.

Other officers elected to serve with Saccardi are: first vice president, Roger Robb; second vice president, Edward G. Kemp; secretary, Mrs. Hale Schemefield, and treasurer, Wilmer J. Waller.

Eugene Meyer was reelected honorary president and John A. Remon, whom Saccardi succeeds, was made an honorary member of the executive committee.

Col. Clifford M. Tuttle, U. S. A. ret., was elected to membership of the board of directors. The following board members were reelected for a two-year period:

Francis G. Addison, jr., George C. Clarke, Mrs. Elizabeth M. Cox, John W. Jackson, Milton King, Roger Robb, Robert C. Simmons, Odell S. Smith, Wilmer J. Waller, Fontaine Bradley, Minor Hudson, John J. Corson, Edward G. Kemp, George Maurice Morris, Mrs. Hale Schemefield, L. Harper Smith, James C. Turner and Mrs. Harvey W. Wiley.

The board unanimously approved a resolution thanking Retired Maj. Gen. Ulysses Grant Sharp for his tireless work during his term as president of the association.

But what all of that the newly-elected president of the Washington Criminal Justice Association has a list of accomplishments that do him credit.

Prominent civic and community worker, golf and hunting enthusiast, father of five sons and now grandfather of three girls, he has for many years taken an active part, particularly in work to curtail crime.

He helped to form the Criminal Justice Association. Then he served as chairman of its first campaign to raise funds, later as chairman of the membership committee, member of the board of directors and treasurer.

He was president of the Corrections Committee of the Washington Council of Social Agencies, and played an important part in getting a new jail here and improvements at the National Training School for Girls.

For many years, he has been a member of the Washington Board of Trade's Corrections Committee. He is a member of the board of the Washington Social Hygiene Society. He is chairman of the jury commission, which recently impaneled a grand jury for investigation of the gambling situation here.

He was a member of the board of the Washington Bureau of Rehabilitation and president of the Managers Association of the Metropolitan Life Insurance Co.

On the lighter side, Saccardi is chairman of the House Board of Governors of the Burning Tree Club, and goes out on the golf course every chance he gets.

He is also a member of the National Capital Skeet Club, where he practices for quail hunting in the South and grouse hunting in the North, when he can get away.

Perhaps the hardest time for Saccardi was during World War II, when four of his five sons were serving overseas. They are: Dr. William T. Saccardi, who was a captain in the Medical Corps; Carmin C. Saccardi, a Marine captain; Vincent Saccardi, an Air Forces captain, and Clarence R. Saccardi, an Army private.

Clarence was wounded and then reported missing in the Battle of the Bulge, but fortunately turned up safe and sound. A fifth son, Donald C. Saccardi, is now a student at Georgetown Preparatory School.

A native of New York city, Saccardi arrived in Washington as an insurance company manager 18 years ago. Ever since, he has followed one motto:

"Every citizen should take an active interest in his community and help to better it."

He is an example of just that.

He lives at 4818 17th st. nw. with his wife, Mildred.

Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Carson
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Hendon
Mr. Jones
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

Crime Conference Wash. D.C.

PEOPLE *In The* NEWS

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Mr. Tolson
Mr. E. A. Tamm
Mr. Clegg
Mr. Glavin
Mr. Ladd
Mr. Nichols
Mr. Rosen
Mr. Tracy
Mr. Egan
Mr. Gurnea
Mr. Harbo
Mr. Mohr
Mr. Pennington
Mr. Quinn Tamm
Mr. Nease
Miss Gandy

JURY—From Page 1

Gamblers Face Probe

to wipe out gambling here have been thwarted because the numbrs racket and horse-race betting have been controlled by gamblers' headquarters outside the District, primarily in Prince Georges County. The grand jury will have authority to call witnesses from anywhere in the country, ignoring State lines.

Fay said information he has received during the past year from sources he considers reliable shows that gamblers obtained more than $100,000,000 from the District in bets and wagers last year.

He issued an appeal to the public to "notify us of any reliable information they may have concerning principals in the gambling game here," promising "the fullest investigation" of such reports.

When the grand jury convenes, Fay will go before it with Assistant United States Attorneys John W. Fihelly and Charles Murray to outline a course of action.

Announcement of the grand jury call brought prompt reaction from officials in nearby Maryland and Virginia to the effect, "there is no major gambling here," but all promised cooperation.

Asked for comment about the impending probe, John Russell Young, president of the District Board of Commissioners, declared:

"This is the first I've heard about it . . . (we have) never heard from Fay ~~about it.~~"

Young said that the Commissioners are going to "cooperate in every way possible" in the investigation. Asked to comment on the possibility of police bribery being involved, he said, "I haven't heard about any bribery, but I would be the first to call on them to break it up."

Inspector Floyd E. Truscott, acting Superintendent of Police in the absence of Maj. Robert J. Barrett, whose mother died on Tuesday, said, "The Police Department will cooperate in every form possible in this investigation, at the request of Mr. Fay."

In 1936, Truscott and Police Lieut. Earle Hartman were assigned by then U. S. Attorney Leslie C. Garnett to investigate gamblnig in the District. With two assistant U. S. Attorneys, Roger Robb and Sam Beach, they worked for a year investigating gambling, resulting in indictments of a large number of persons, including several Metropolitan policemen.

The policemen, charged with conspiracy to vitiate the gambling laws, were not convicted because of the ruling against the admission of evidence obtained by wiretapping, but several gamblers went to jail.

NUMBERS—From P. 1

Numbers Men Well Heeled

times it's less. Some bookies offer as much as 850 to 1—usually to fellow bookies, perhaps as a professional courtesy. There is no 10 per cent fee on such wagers.

More often, the odds offered are less than 700 to 1. In some sections of Washington, certain "dream" numbers are favorites, and get a heavy play.

Bookies Play Safe

These are known as "cut numbers," because the bookies refuse to offer standard odds on them. Sometimes they quote 600 to 1, sometimes 500 to 1, and there's even one house which won't give over 300 to 1 against heavily played numbers.

Whatever the odds, the "runner" always gets 10 per cent of the winnings, except in those cases where professionals deal directly with other professionals.

These deals among the pros arise from a mutual dislike for gambling. The bookie doesn't like to take chances. He wants a "balanced book" in which percentage alone will determine his profits.

When a bookmaker has accepted too much money on some numbers, thereby unbalancing his book, he "moves" or "lays off" the excess with his brethren. They usually give him 850 to 1, and accept his business to balance their own books.

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NAACP Hear... sumes

'Brutality Victim' Called to Testify

The National Association for the Advancement of Colored People today called Blanche O. Price—an alleged victim of police brutality—to the stand as the public hearing of NAACP charges against Police Chief Robert Murray got under way after a one-day lay-off.

Yesterday the NAACP again protested that the Commissioners are not the proper persons to hear the charges.

'JOCKEYED'

E. Lewis Ferrell, an NAACP attorney, said that while he has respect for Commissioner Robert McLaughlin, he feels Mr. McLaughlin has been "jockeyed" into a position of defending Chief Murray.

He said the Commissioner by his job was "warp and woof of what is being complained of."

Today's chief witness, Miss Price, has figured fairly prominently in earlier testimony.

Roger Robb, attorney for Chief Murray, quizzed Eugene Davidson about her record of over 100 arrests and asked if her convictions on prostitution and other charges did not damage her credibility.

'BIASED'

"Don't you think she might be biased against police?" Mr. Robb asked.

Mr. Davidson said she might be but "even if she was a murderess—and if she was she should be hanged—she should not be beaten up by police."

The NAACP charges Miss Price was beaten by Pvt. Robert G. Thompson, after a disturbance in a restaurant, when the policeman, at the request of the proprietor, asked her to leave.

Mr. Davidson testified that he went to Police Headquarters about the alleged beating and met Inspector Anthony Richitt.

He said that when Inspector Richitt—with whom he always had a good relationship—learned Miss Price was the person involved he grew very "angry" because of her long record.

"He said that if he was a member of the NAACP he'd be ashamed," Mr. Davidson said.

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Wash. News 10-12
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N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date 10/25/57

demands to know if colored men weren't detailed to the more tedious, swirling places.

"What was that word—surly?" interrupted Chief Murray's counsel Robb.

"Swirling, swirling, swirling," Mr. Dodson said.

Exchanges between the two lawyers were infrequent after Robert E. McLaughlin, presiding as president of the Board of Commissioners, warned, "This is a fact-finding proceeding."

If anybody resorts to abusive language he'll find himself outside the door, Mr. McLaughlin said. He reminded lawyers there were many attorneys in town competent to ferret out the facts, without forensics. Questioning continued with a singular lack of heat.

Capt. Murphy Testifies

Capt. William Thomas Murphy, of the Eleventh Precinct said none of his jobs characterized by Mr. Dodson as "blue-ribbon" were filled by colored men. But he insisted he looked for the man, and picked officers for assignments because of their ability and efficiency, not their color.

Capt. Albert Clarke of the Tenth Precinct denied the jobs under discussion always were sought after. He added though that he put his best men in scout cars. These are the most dangerous, the most time-consuming assignments in the precinct, he said.

"I'd like to know what's so blue-ribbon about that assignment to a scout car, then," Mr. Robb interposed.

"It's news to me," said Capt. Clarke.

"Do you believe that every white man selected for your scout cars are superior, man for man, to any of the 14 colored officers in your command?" Mr. Dodson asked.

"That's my opinion," replied Capt. Clarke.

"I have no more questions to ask you," Mr. Dodson said.

NAACP lawyers elicited from all captains that several officers, both colored and white, had college educations. Mr. Robb countered this line of questioning with a query to Capt. Clarke:

Degree Not Factor

"Do you think if a man has a Ph. D. from Harvard that makes him a good man to put in a scout car at midnight?"

"It does not," Capt. Clarke said.

Capt. Charles L. Langley of the Twelfth Precinct denied he regarded race as an indication of efficiency. But of eight colored officers in his 97-man precinct, six were unassigned and two were on neighborhood beats, he said. No colored men are in any of his three scout cars, he testified.

Capt. Alexander Douglas of the Second Precinct, and yesterday's first witness, returned to the afternoon session at Mr. Robb's request. Questioning was aimed to combat an NAACP charge that ratings are stacked against colored officers.

Capt. Douglas said Negro policemen in his precinct rated better on experience and fitness tests than white officers. Of 14 colored officers who applied for ratings, 13 made 91 to 95 points, or excellent, Capt. Douglass reported. 29 out of 38 white officers earned excellent ratings, he said. Ninety-five is the top grade in the rating tests, according to Capt. Douglas.

Few Mixed Teams

Capt. Otto P. Fuss, a former detective sergeant who has commanded the 13th precinct since 1951, said he rarely has assigned Negro and white policemen to work as teams.

He said he never had occasion to assign a colored officer to a scout car. Both the precinct's scout cars are manned by white policemen.

Under questioning from Mr. Dodson, he also acknowledged that white officers are generally assigned to patrol in front of Griffith Stadium, while colored officers are stationed usually at Seventh street and Florida avenue nearby. But he said the Negro officers usually request the Seventh and Florida station.

Chief of Detectives Edgar E. Scott testified that nine of 12 Negroes in his 175-man detective bureau said they were satisfied with their assignments in a questionnaire last June.

Mr. Dodson challenged the validity of the survey. Each man was directed to fill out the questionnaire and "there was nothing to do but fill it out," he said.

The detective chief denied putting pressure on his men, but conceded forms were filled out in his presence.

He added that Negro and white detectives often have worked on cases together "in harmony." Negro detectives, from time to time, have worked on all 12 squads in the bureau, he said.

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Nichols _____
Boardman _____
Belmont _____
Mohr _____
Parsons _____
Rosen _____
Tamm _____
Trotter _____
Nease _____
Tele. Room _____
Holloman _____
Gandy _____

Wash. Post and Times Herald _____
Wash. News _____
Wash. Star _____
N. Y. Herald Tribune _____
N. Y. Journal-American _____
N. Y. Mirror _____
N. Y. Daily News _____
N. Y. Times _____
Daily Worker _____
The Worker _____
New Leader _____

Date 10-23-57
Night Final

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Tolson
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Belmont
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Tamm
Trotter
Nease
Tele. Room
Holloman
Gandy

Mr. Davidson said that he once asked Chief Murray why white and Negro policemen were not assigned together in scout cars. He said the chief's reply was a "rhetorical question," the effect of which was whether the NAACP was interested in solving a social problem or maintaining the efficiency of the police force.

Sees No Connection

"This is a frequent answer, especially in the South, that you just can't mix races because of a social problem," the witness testified. "The fact is that there is no connection between social activity and efficiency. Integration of the races in the Army has proven there is no merit at all to that argument," the witness asserted.

During Mr. Davidson's testimony Mr. Robb raised frequent objections. Commissioner McLaughlin, however, permitted the witness to express his opinions as an "expert witness" on racial discrimination.

Mr. Davidson followed to the stand seven precinct captains, who denied, one by one, yesterday that they gave "blue ribbon" assignments to white, not colored, officers. They admitted, however, that most all jobs demanding job efficiency under their commands were taken by white policemen.

Two Subpoenaed

To back up Mr. Davidson's testimony, his attorneys asked that Herbert V. Hudgins of 3055 Vista street N.E. and James Carter of 815 C street N.W. be subpoenaed. A motorcycle man picked up the subpoenas from the District Commissioners, who are conducting the hearing, at 5:30 p.m. yesterday.

Both Mr. Hudgins and Mr. Carter are private citizens.

Mr. Carter said plainclothes officers started "pushing around" his friends and himself on a southeast Washington street in April, 1955. His friends pushed back, he said, and were arrested. Assault charges against the civilians were dismissed in Municipal Court. But NAACP attorneys said the plainclothesmen never were disciplined by Chief Murray for inciting the trouble.

Mr. Hudgins, in a sworn statement for NAACP, said Sherman Adams, assistant to President Eisenhower, had promised an investigation of police discrimination in 1955. After Mr. Adams wrote that the President was interested, Inspector Robert D. Chenault asked Mr. Hudgins why he complained to the White House, the statement said.

Inspector Chenault remarked that he would do what he could to see that Negroes never became officers, Mr. Hudgins told the NAACP.

Inspector Chenault said earlier and repeated today that he did not go to talk to Mr. Hudgins but that the rest of Mr. Hudgins' account was absolutely false.

Winfree To Testify

Also due to take the stand today is Police Inspector Archie Winfree, who recruits and trains officers. The NAACP hopes to show that recruiters shunt colored applicants aside and seek white men in distant States.

Chief Murray remained impassive through the questioning yesterday. He heard his captains echo each other's testimony that their chief never had ordered them to assign men according to their race or color.

Only Capt. Howard F. Mowry of the Fourteenth Precinct said, however, that he had two biracial two-man detective teams, one biracial scout car team, and a colored detective sergeant commanding precinct detectives.

Attorney Dodson pressed each captain for racial breakdowns on assignments to scout cars, license and sanitation inspections, school liaison and station clerkships. These are "blue ribbon" jobs, Mr. Dodson maintained.

Questions Classification

Peppery Capt. Lewis B. Peters of the ninth precinct retorted he didn't consider the jobs "blue ribbon"—but added that they demanded ability and proficiency. Scout cars were manned by white officers as a matter of "practice, not policy, so far as I know," he added.

He said he had been in the same scout car with a colored officer.

"He was the driver?" demanded Mr. Dodson.

He was the operator," Capt. Peters said. "I was the second man."

Mr. Dodson tried to establish in later examinations that the driver was subordinate to the other member of the scout car team, but Captain said the two men usually switched as operators.

Mr. Dodson asked Capt. Peters whether former Commissioner Samuel Spencer had not called him in "about the number of men you were referring to the trial board."

"I don't recall any such instance," the captain replied.

A few moments later the NAACP attorney asked if Capt. Peters recalled a Pvt. Allison. The captain said he did.

"Do you recall you did make a statement to Pvt. Allison with regard to an arrest?" asked Mr. Dodson.

"I don't recall any statement," Capt. Peters replied.

"Do you recall he turned in his revolver and badge to you," the attorney asked.

Capt. Peters replied that the policeman had turned the badge and revolver over to an inspector, not to him.

Then Mr. Dodson asked:

"Will you tell us why he turned in his revolver and badge? Didn't you tell him he had no business as a colored officer arresting a white woman?"

"I certainly did not," the police captain responded.

Subpoenaed Records

Police records showed that Norman Allison was found guilty by a trial board of conduct unbecoming an officer in 1955 and resigned several months later from the force. His record was subpoenaed for the hearings today.

"If the record shows what I think it will show, I may subpoena Mr. Spencer," Mr. Dodson said.

Capt. Peters said, "I can answer that," and "I wouldn't know that," to Mr. Dodson's

Wash. Post and Times Herald
Wash. News
Wash. Star
N. Y. Herald Tribune
N. Y. Journal-American
N. Y. Mirror
N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date 10-23-57
Night Final

6-19 (Rev. 9-7-56)

NAACP Says Chief Murray Used 'Threat'

Suggested Suits In Brutality Cases, Davidson Declares

By JAMES G. DEANE

Eugene Davidson, president of the Washington branch of the National Association for the Advancement of Colored People, today charged that Washington Police Chief Robert V. Murray threatened him with possibility of law suits if he pressed charges against policemen accused by the NAACP of brutality.

The threat, Mr. Davidson testified, occurred during a conference between himself and Chief Murray on May 25, 1956.

Roger Robb, attorney for Chief Murray, branded the Davidson charge "an outrageous implication" and demanded that it be stricken from the record of the current hearings on alleged police race bias.

Bias Probe Limited by Two Laws, Justice Says. Page B-20

Commissioner Robert E. McLaughlin, presiding at the public hearings, ordered that the testimony be left in the record, however.

Only Witness Today

Mr. Davidson described the alleged threat while undergoing questioning by the NAACP's chief counsel, Thurman L. Dodson. The local NAACP chief was the sole witness as the hearings continued in their third day.

Mr. Davidson said the May, 1956, conference followed an exchange of correspondence between himself and the chief in which the NAACP head demanded trial board action against two policemen who shot to death a 48-year-old Negro on April 21, 1956. The shooting victim, Harrison Finley, was being arrested for committing a nuisance.

The two policemen, Pvts. Robert G. Rosenberg and Dale Phenicle, were never put on trial. The shooting was ignored by a grand jury.

Mr. Davidson testified that when he met with the police chief he was highly disturbed at the chief's failure to act against the men.

He testified:

"I resented personally and officially the statement Chief Murray made to me. If I felt there was a case why didn't I go ahead and make a complaint, and if it didn't succeed I would be subject to a civil suit.

"That in my mind was a threat to me."

The NAACP officer added that the chief's statement "seemed to be a procedure to frighten us."

Mr. Davidson said that since then he has been sued by two policemen against whom he demanded trial board action, one of whom was cleared by a trial board and the other found not guilty after a trial in Federal Court for manslaughter.

Cites Morale Angle

Mr. Davidson testified that Chief Murray had told him categorically that even in cases where there was prima facie evidence against police officers, bringing them before a trial board would cause police morale to go down.

"That is a bad philosophy," the NAACP chief asserted.

He also declared that Chief Murray had asked him:

"Would I prefer to solve a social problem or have an efficient police department?"

Mr. Davidson said he reported to the police chief that a police department "should not depend on race discrimination."

Mr. Davidson said the NAACP was taking the position that each time the policeman goes untried on accusations of brutality, it gives members of the force the impression that they may use undue force with impunity.

Early Relations Cordial

The NAACP officer said that he has had numerous conferences with Chief Murray since he became head of the local NAACP chapter in 1953 on questions of alleged police brutality. He said that until fairly recently the relationship between the NAACP and the po-

Continued on Page B-20, Col. 1

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lice chief had been pleasant and that Chief Murray had been almost uniformly courteous.

He said Chief Murray had addressed an NAACP meeting several years ago and made "a very good speech," and that the NAACP since then had attempted to co-operate with the police in dealing with complaints against policemen.

Many such complaints are received by the NAACP office and a sizable number have been ignored by the NAACP itself, he added, because they were not supported by sufficient evidence.

Mr. Davidson contended, however, that the Police Department recently seemed to have changed its attitude.

He cited several cases besides the Finley shooting in which the department had refused to take steps toward possible disciplining of policemen who shot or allegedly beat Negro citizens.

Concerned With Abuses

He said the NAACP was not concerned merely with the specific cases, but was more interested in action to eliminate what it regrads as police abuses in the future.

Elsewhere in his testimony, Mr. Davidson accused Chief Murray of "condoning" discrimination in assigning Negro policemen to less responsible jobs than white officers.

The NAACP official was especially indignant over what he said was the chief's refusal to place Negro officers in the same scout cars with white officers.

He said that Chief Murray's approval of these practices is negative in that he has not instructed the precincts to assign men without regard to race.

Points to Record

"The record indicates that Chief Murray knows about this and condones it," Mr. Davidson testified.

The witness further criticized the department's "weighting" of promotion credits 60-40 in favor of behavior in the field as against proficiency in written examinations. He said he has found no such system as this in "enlightened" cities.

Pointing out that Washington's population is approximately 44 per cent Negro, Mr. Davidson criticized the fact that of the total authorized force of 2,300 men only 281 are Negroes.

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Chief Murray Is Exonerated Of Police Bias

Charges by NAACP Not Substantiated, Commissioners Find

By [illegible]
Washington Post Staff Writer

The District Commissioners have cleared Police Chief Robert V. Murray of charges that he condones brutality and racial discrimination and gave him and the Police Department a vote of confidence.

The three city heads, in a statement released today, said the charges brought by the Washington Branch of the National Association for the Advancement of Colored People failed to sustain the evidence presented. The charges were brought by the organization through Attorney [illegible] Murray.

The Commissioners released their statement two days after completing nine days of hearings into the seven charges, specifications of alleged brutality and discrimination listed by the NAACP.

In bringing the complaints [illegible] President Irving Davidson called for Murray's [illegible] was accused of [illegible] failing to call police [illegible] trial boards in al[illegible] brutality cases with pe[illegible] making police harassment of Negroes who complained of brutality to the NAACP, and with permitting discrimination in appointments, promotions and assignments.

No Evidence "Whatever"

The Commissioners said that the NAACP "in fact submitted no evidence whatever in support of some of the specifications."

"On the other hand," the Commissioners said, "the evidence submitted by Chief Murray completely answered the charges and specifications, including those on which the NAACP submitted no evidence."

"Viewing the evidence as a whole," the statement continued, "the Commissioners are of the opinion that the NAACP has failed to adduce any evidence upon which reasonable men could conclude that Chief of Police Robert V. Murray should be removed from office."

"On the contrary, finding no evidence of racial discrimination or of police brutality, the Board of Commissioners wishes to re-assert its confidence in the competence of Chief of Police Robert V. Murray, and the Metropolitan Police Department."

Murray "Gratified"

After reading the Commissioners' report, Chief Murray said, "I am gratified by the findings of the Board of Commissioners that the charges against me were groundless, and especially pleased that the Commissioners have reaffirmed their confidence in me and the Metropolitan Police Department. I have always believed that this would be the inevitable result of a full and fair hearing at which all the facts were presented to the Commissioners and the public."

Said Chief Murray's attorney, Roger Robb: "The report speaks for itself. It was the only conclusion possible."

Davidson in a lengthy statement, said the Commissioners' decision "was expected."

"Doubt Justified"

"The NAACP's original doubt that the Commissioners could hold an impartial hearing because of administrative involvement has been justified," Davidson said.

"It was further incredible and significant that the Commissioners concluded there are no weaknesses in the Police Department and ignored reasonable recommendations of the NAACP for improvement." He continued:

"Since our major objective, undertaken as good citizens, was to help our Police Department become a model in a democratic society, we shall continue our efforts with vigor," Davidson said.

Board of Commissioners President Robert E. McLaughlin said the report was "strictly" in answer to the charges placed against Murray.

The report did not go into the six recommendations for changing police procedure submitted by Davidson during the last day of the hearings. One of the recommendations was for a Police Institute on Human Relations.

Others dealt with methods of handling alleged cases of police brutality and with the recruitment, assignment and promotion of men.

Committee Proposed

McLaughlin said that nearly two years ago a group of citizens proposed a human relations committee to work with the Commissioners.

The idea, he said, has gradually developed and fairly recently a small study committee was formed and headed by District Personnel Officer Henry F. Hubbard. The Commissioners expect an early recommendation from the study group as to whether the human relations committee should be established.

McLaughlin said that if the city had such a committee it would, in the future, hear such complaints as the ones brought by the NAACP. The committee would be made up of District officials and citizens.

Mr. Tolson
Mr. Boardman
Mr. Nichols
Mr. Belmont
Mr. Harbo
Mr. Mohr
Mr. Parsons
Mr. Rosen
Mr. Tamm
Mr. Sizoo
Mr. Winterrowd
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Mr. Holloman
Miss Gandy

Beg Gandy

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Testimony Is Studied As Police Hearing Ends

City Heads Hope to Reach Decision By Friday on NAACP's Charges

The District Commissioners have begun an intensive study of testimony taken at two-week hearings on discrimination charges against Police Chief Robert V. Murray.

They closeted themselves in the offices of Robert E. McLaughlin, president of the Board of Commissioners, for two hours yesterday immediately after hearings closed. All three city heads plan to confer again today.

plan to confer again today.

"We hope to reach a decision before Friday," Mr. McLaughlin said last night. On Friday, Commissioner David B. Karrick is due to leave for South America.

Before them is a demand for Chief Murray's dismissal. The National Association for Advancement of Colored People charges he condoned "systematic exclusion" of Negroes from coveted police jobs and failed to discipline officers for alleged brutality to colored citizens.

Local NAACP President Eugene Davidson submitted a six-point program for improving police operations yesterday. His attorney, Thurman Dodson, ended the proceedings with a denunciation of the principle of segregation.

Commendation Asked

Chief Murray's attorney, Roger Robb, asserted the NAACP had failed to present a "scintilla" of evidence to support either brutality or discrimination charges. He praised the chief as an "honest, intelligent, fearless, just and humane" policeman. And he concluded with this recommendation for the Commissioners:

"Chief Murray has won 265 commendations during his career as a police officer.

"I respectfully submit he is entitled to have one more commendation — one more expression of esteem, approval and admiration. He is entitled to have one more statement recognizing he has done a miraculous job as chief of police.

"That statement ought to be signed by all three members of this board."

Cites Promotion Exam

Turning to discrimination charges, Mr. Robb stressed that Civil Service Commission officials had testified they gave promotion exams without knowing anything about applicants except their numbers. If colored officers haven't passed that exam, is that Chief Murray's fault, Mr. Robb asked.

He noted that, in 1955, some 80 colored officers took promotion exams. Five passed.

"Is that Chief Murray's fault?" Mr. Robb asked again.

Of six Negroes eligible to take lieutenant's exams in 1955, only two took the test and both failed, Mr. Robb reminded city fathers. He said it passed his understanding how Mr. Dodson could say colored officers failed

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promotion exams because of performance ratings given them by their white superiors.

Variety of Attacks

Mr. Robb characterized the NAACP charges as an attack on the integrity of everybody who disagreed with its view.

"They started with an attack on the integrity of Chief Murray," he said. "At the outset, they attacked the integrity of this board. As we went along, they attacked the integrity of the Civil Service Commission. Today, they attacked the integrity of the Federal Bureau of Investigation and the newspapers."

He was referring to earlier testimony of Bishop Stephen G. Spottswood of the African Methodist Episcopal Zion Church, formerly local NAACP president. Mr. Spottswood said the FBI dismissed a case of alleged brutality, but he disagreed because he knew the facts personally.

Mr. Dodson had opened his argument with a charge that all three Washington newspapers had prejudged his case in print.

Robb Raps Dodson

Mr. Robb also rapped Mr. Dodson for "sneering" at Chief Murray's education—he went through the eighth grade. Accusing the NAACP attorney of "intellectual snobbery," Mr. Robb said Chief Murray had proved on the witness stand he was "an educated gentleman." A man need not be a graduate of Harvard, Yale, Princeton or Amherst to be a good police chief, said Mr. Robb, a Yale man, who added that many lawyers who have passed the bar didn't understand all they thought they knew about their own field.

He denied Mr. Dodson's statement that he had "insinuated" the NAACP wanted to run the police department. "I assert the NAACP wants to run the department," he maintained. "And the reason they want to get Chief Murray is because he won't let them do it."

Dodson Denies Sneer

Mr. Dodson, in his turn, denied that he had sneered at the chief's formal education.

Instead, the NAACP point was that Chief Murray, because of his lack of training, was unable to have the "perceptibility" needed to grasp how segregation is at work within the force, he said.

"Nobody says, 'I'm practicing discrimination.' But the high police brass needs to have a criteria by which to judge discrimination," Mr. Dodson insisted.

"When we ask Chief Murray, he says he has no such criteria. This is because he has failed to grasp the implication of systematic exclusion of Negroes in the department," he insisted.

"Regardless of how our actions are characterized by Mr. Robb, regardless of how they are characterized by the newspapers, the NAACP reserves the right, in God's name, to call attention to any system that keeps a few men up and most men down," Mr. Dodson proclaimed.

0-16 (Rev. 9-7-56)

Hearing Ends On Charges of Police Brutality

NAACP Repeats Demand Murray Be Fired, Proposes Six Changes

By Elsie Carper
Staff Reporter

Nine days of hearings into charges of police brutality and discrimination brought by the National Association for the Advancement of Colored People were concluded yesterday by the Commissioners.

The three District officials immediately began their deliberations with the expectation of having a report ready by Friday.

Before the Commissioners is a demand by Eugene Davidson, president of the local chapter of the NAACP, that Police Chief Robert V. Murray be removed from office.

Davidson yesterday repeated that demand, while Roger Robb, attorney for Murray, declared that the Commissioners should add another commendation to the 265 separate honors that the Police Chief has received in 27 years on the force.

The commendation, Robb said, should be in the form of a statement signed by the three Commissioners that Murray has "done a magnificent job as Chief of Police."

Calls Charges 'Reckless'

Robb declared that the evidence has been "clear and convincing and has pointed unerringly to one conclusion"—that the NAACP charges were "not only unfounded but reckless in the extreme."

Shortly after the hearing opened in the morning Davidson, who had testified at a previous session, returned to the stand to present six suggestions for changing police procedure in handling recruitment, promotions and cases of alleged police brutality.

The NAACP leader said that Murray lacked "the imagination and the ability to carry them out."

Davidson's six points were:

• Brutality complaints when supported by statements of two witnesses should be referred automatically to civilian complaint review boards. Reports should be made by the boards to the Commissioners as well as to the Police Chief. At present police brutality charges are heard by the police trial board when ordered by the Police Chief.

Asks Injuries Checked

• A definite procedure should be established for the investigation and reporting to the Police Chief of all cases in which prisoners have been injured at the time of arrest or afterward. The NAACP said an inspector should be assigned daily at the Municipal Court central cell block to investigate all injuries.

• An intensive recruitment campaign should be initiated to tap for policemen "the huge reservoir of Negro manpower in the District."

• Rules of promotion should be changed to give more weight to written tests and less to the rating of superiors and take seniority into consideration.

• The Police Chief should organize a Police Institute on Human Relations, conducted by an outstanding authority on race relations, "which all police officers shall be required to attend at frequent periods."

• The Police Chief should reexamine practices of all his subordinates to "implement with vigor" the Commissioners' orders against discrimination and should investigate the present assignment of officers in departments and precincts where the "non-utilization of Negroes suggests systematic discrimination."

Bishop Testifies

The NAACP also brought to the stand its former local president, the Rev. Stephen G. Spottswood, bishop of the African Methodist Episcopal Zion Church.

Bishop Spottswood, who now heads a district in the West, testified that he has no con-

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Conflicting Testimony On Blanche Price Due

A jailed woman's contention that an arresting officer beat her is expected to be challenged by top-level policemen and supported by four eyewitnesses today.

This Blanche Price story retains the spotlight as hearings are resumed on charges by the National Association for the Advancement of Colored People against Police Chief Murray.

The NAACP is asking the District Commissioners to dismiss Chief Murray on grounds he tolerated brutality by police to colored citizens.

Blanche Price, who has a four-page police record, charged that Pvt. Robert G. Thompson beat her with his night stick last February 6. She now is serving a six-month sentence at Occoquan for disorderly conduct.

Chief Murray's attorney, Roger Robb, said he would call Capt. John Layton and Inspector Anthony Richitt to tell their story of the Price incident.

The four citizens who said they witnessed the alleged beating will be subpoenaed at the request of the NAACP. If NAACP attorney Thurman Dodson can complete his case by mid-day, as expected, Chief Murray's defense will be brought before the Commissioners for the first time since hearings began on October 21.

Testimony on Policies

Also standing by to defend Chief Murray will be Deputy Chief Howard V. Covell and Inspector George R. Walrodt. Mr. Robb said these high-ranking officers would explain the practices and policies of the police force followed to avoid racial flareups in the interest of police department.

"We don't concede that we have anything to answer in this hearing," Mr. Robb said. "But the public is entitled to the facts as well as false charges." He said Chief Murray will take the stand tomorrow to answer, one by one, the specific complaints about his administration raised by the NAACP.

NAACP attorneys said they planned to follow the testimony of the four "eyewitnesses" with Curtis P. Mitchell, an attorney who successfully represented two alleged victims of police brutality in court.

Both Acquitted

One, Isaac Williams, charged he was assaulted by Officers H. C. Hines and R. E. Cook of the fifth precinct last March 31. Mr. Williams was charged with disorderly conduct but was acquitted in Municipal Court.

The other, Harry Chase, complained to the NAACP that Officer George E. West beat him last March 11. A charge of assaulting a police officer against Mr. Chase was reduced to simple assault in court. There he was acquitted of this second charge.

The NAACP charged Chief Murray with failing to discipline anyone of the three officers in the cases.

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NAACP Hearing Nears Wind-Up

Murray Defends Self

Police Chief Robert V. Murray yesterday stoutly defended himself and his department during a vigorous cross-examination by an attorney for the National Association for the Advancement of Colored People, which has brought charges of racial bias against him and the force.

The Chief was the final defense witness in the Commissioners' public hearing on the NAACP charges. The Commissioners, who have been listening to testimony for eight days, recessed the hearing until Tuesday. They said they would continue it then "until midnight if necessary" to finish it.

Chief Murray, on the stand for three hours, denied that there was any "systematic exclusion" of colored police

[redacted]

Chief's examination by NAACP Atty. Thurman L. Dodson was often hot and heavy. Mr. Dodson's efforts to shake the chief's denial of racial bias charges caused Commissioner Robert E. McLaughlin finally to say: "You are not before a jury, Mr. Dodson."

When the lawyer replied, "I am entitled to pin the witness down," the Commis- characterizations do not change the record one bit."

Mr. McLaughlin also asked Mr. Dodson to rephrase a question when he charged that Chief Murray's attorney, Roger Robb, had "impugned" his "integrity" after the defense lawyer accused him of asking "leaded questions."

Mr. Dodson repeatedly kept after the Chief to admit that there was "a systematic exclusion" of colored officers for certain jobs.

He asked if Chief Murray did not prefer to have "white work with white and colored with colored in the name of efficiency."

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Murray Offers Vigorous Denial Of Bias Charges

NAACP Contentions Termed Unjustified By Chief at Hearing

Washington Police Chief Robert V. Murray has vigorously countered race bias accusations from the National Association for the Advancement of Colored People.

Chief Murray, in strongly worded, sworn testimony, yesterday told the District Commissioners the administration of the Metropolitan Police Department is geared to efficiency and merit, not race.

He said that, far from condoning discrimination against Negro policemen, he felt he had done more than any of his predecessors to improve their lot.

The Police Department is in fact integrated, not segregated, he said. Young Negro policemen, he added, are being encouraged to seek promotion.

He also denied that he had been lax toward policemen accused of brutality. He called himself a strict disciplinarian. But he testified that punishments demanded by the NAACP for policemen involved in a group of alleged brutality cases had been proved unjustified by thorough investigations.

Cites Assaults on Policemen

The police chief countered the NAACP brutality arguments with a summary showing that 268 policemen were assaulted while making arrests during the year which ended last June.

Chief Murray's stand on the treatment of Negro policemen was bolstered today by a report by the Washington Criminal Justice Association, which said Negroes have not been discriminated against in promotions during the chief's six-year-old administration.

The report, which followed a study made at Chief Murray's request, was made public by the association independently of the current hearings.

Chief Murray was the principal witness at the hearings yesterday. Cross-examination by Thurman L. Dodson, NAACP attorney, which began yesterday afternoon, was expected to be resumed today.

The police chief yesterday cited statistics to support his contention that his administration has treated Negro officers fairly.

Gives Ratios

When he became chief, there was a single Negro lieutenant, since retired, and no other uniformed Negro commissioned officer, he noted. There are now a uniformed Negro sergeant and two Negro corporals.

In addition, four Negroes have become detective sergeants, or 13 per cent of the 31 appointed; five have become precinct detectives, or 16 per cent of the 32 promoted; nine have become probational detectives, or 19 per cent among 48, and another 22 have been detailed to undercover work, or 22 per cent of 100, the chief reported.

Four more Negro detectives are being appointed today, he added.

Since the department's present 280 Negro officers represent about 12 per cent of the total force, the proportion of Negroes above private is good, the chief indicated.

He also offered evidence that Negro privates have a full share of what the NAACP has labeled "blue ribbon" posts. On October 24, he reported, 116 of the department's 242 fully trained Negro policemen, or 48 per cent, held such assignments.

Breakdown of Figures

Besides the noncommissioned officers and plainclothesmen, a chart submitted by the chief showed these assignments filled by Negroes: Scout cars, 13; patrol wagons, 12; clerks, 6; patrol signal system operators, 3; special beats, 4; boys' club, 2; motorcycles, 3; school duty, 4; sanitation duty, 2; radio station, 1; cellblock, 1; District General Hospital, 3.

Forty-nine of the department's 67 women school crossing-guards also are Negroes, the chief reported.

Welcomed to Force

The police chief said Negro applicants are welcomed on the force equally with white so long as they are qualified.

He also said he felt he had done "everything reasonable" to promote racial understanding on the force.

With reference to NAACP brutality allegations, Chief Murray admitted telling Eugene Davidson, NAACP president, that the latter might face lawsuits if he should press complaints against policemen accused by the NAACP of brutality and fail to sustain the charges.

The chief asserted he had nothing whatever to do with two such suits recently filed against Mr. Davidson by policemen, however.

Cross-examinations by the NAACP were geared to gaining an admission from Chief Murray that his force was integrated in name only and was in fact, segregated.

Sharp Exchanges

Chief Murray repeatedly denied this charge. The afternoon session was marked by sharp exchanges between NAACP Attorney Thurman Dodson and the chief.

It was climaxed by a direct question by Mr. Dodson:

"Personally, you believe in segregation?"

"I don't believe in forced integration, let's put it that way," Chief Murray replied.

Mr. Dodson was not satisfied with this answer, but Chief Murray interposed, "I don't believe in forced integration. You had a couple of officers testify here that they worked together, one white, one colored, they studied for the examination together; the white officer was wearing the colored officer's coat. If they want to that, that is fine, but I wouldn't force them to do it. That is what I mean."

"What is forced integration?" Mr. Dodson insisted.

Chief Murray said an example was ordering officers to ride in cars together whether they wanted to or not.

The chief maintained he never would interfere with assignments of commanding officers so long as the efficiency and morale of the police force was high. He refused to admit that a system of segregation of long years' standing existed in his department, despite pointed questions of Mr. Dodson about that "system."

Objection by Robb

Chief Murray's insistence that efficiency and morale were the most important considerations to him in running the force moved Mr. Dodson to comment that he had made quite a "to-do" about this question. Mr. Robb objected. Then, Mr. Dodson substituted the word "emphasis" for "to-do."

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Murray Will Take Stand

Police Hearing May End Today

The long, drawn-out hearing on charges against Police Chief Robert V. Murray and his department, brought by the National Association for the Advancement of Colored People, may end today.

Commissioner Robert E. McLaughlin and Chief Murray's counsel, Roger Robb, think it will. NAACP Atty. Thurman L. Dodson is less optimistic.

WITNESSES

Star witnesses for the police force expected to testify today were Chief Murray and Inspector Anthony Richitt. Their cross examination was deemed likely to be lengthy.

In addition, Mr. Dodson has reserved the right to recall witnesses who already have testified and has said several times that he hoped to place on the witness stand a recognized expert on racial relations.

Late yesterday Wilson Matthews, of the U. S. Civil Service Commission staff, testified describing the methods of the commission in conducting entrance and promotional examinations of firemen and policemen. He expressed the confident view that there is no loophole in the machinery to admit racial prejudice in hiring or advancing colored policemen.

TESTIMONY

Capt. John B. Layton, of Precinct No. 1, yesterday ended his testimony after nearly two days on the witness stand. He followed detailed reports on his investigations of NAACP charges by a general denial that bias exists in police administration.

Attorney Dodson tried to get him to admit that Negro members of the robbery squad in the detective bureau are made to sit apart from white members in the squad room. Capt. Layton denied it emphatically.

Mr. Dodson, in effect, added a new count in the NAACP indictment of police administration by calling to the stand Bernard Ayres, colored waiter at the Bethesda Country Club, who testified that he was beaten by policemen last Monday night.

STORY

Ayres said that he was "intoxicated but not drunk" around 5:45 p.m. and was arrested at 14th and U streets nw by Patrolmen Martin J. Hannon and Aaron Archer, and that Pvt. Hannon broke his night stick over the prisoner's head. Ayres displayed a torn scalp with 10 stitches holding it together.

Pvt. Hannon cheerfully admitted that he used the stick, breaking it at the first blow, but added a lively description of the fight Ayres allegedly put up in resisting arrest. He said he struck in self defense and to maintain the arrest, and added:

"I didn't aim to let him twist my neck again."

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N. Y. Journal-American
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N. Y. Daily News
N. Y. Times
Daily Worker
The Worker
New Leader

Date 10/31/57

Murray Denies Bias, Brutality By D. C. Police

Tells Probers Race 'Has Nothing to Do' With Assignments

Police Chief Robert V. Murray today vigorously denied race discrimination and brutality charges brought against him and the Washington Police Department by the National Association for the Advancement of Colored People.

Chief Murray declared at a hearing before the District Commissioners that race and color "have nothing to do" with the department's hiring, promotion or assignment of policemen.

He also reviewed a series of specific cases of alleged police brutality toward Negroes and denied that he or the department had failed to handle the cases properly.

In support of his stand that the department treats its Negro members fairly, the police chief disclosed that almost half of the department's 280 colored policemen are assigned to what the NAACP has labeled "blue ribbon posts."

He also said that well over 12 per cent of Negroes in the department hold ranks above private and added:

"I think I've promoted more colored men since I've been chief of police than were promoted in the entire preceding 21 years."

More Promotions Due

Chief Murray also noted that four more Negroes will be promoted tomorrow but added this "has nothing to do with these hearings." The four promotions have been pending for some time, he said.

"If anyone, Mr. Robb, can say I am biased or prejudiced in so-called blue-ribbon jobs, I'd like to hear it," Chief Murray told his attorney, Roger Robb.

Chief Murray read a seven-page prepared statement about his policies with regard to the racial question. The statement countered charges by the NAACP that the department's morale has been lowered by assignment policies. He said, however, that the force, as a whole, showed the department is running on merit, not race.

"The NAACP alleges that I have implied that I would rather have an efficient police force than to solve social problems. I cannot deny that charge," the chief asserted.

But he added, "I cannot in good conscience order that efficiently operating teams of partners be separated and racially intermixed simply to please the NAACP."

Asks Specific Charges

He said the NAACP's allegations of lowered morale and efficiency have been "general charges" and challenged the organization to state "specific instances" where police assignments have had any such effect.

"All officers, both white and colored, have been assigned to those units where it is felt they could render the best possible service," the chief declared.

The chief said he had never directed that white and colored officers not be assigned together but had insisted that all officers be assigned in a manner that "produced best police results."

He admitted that some police units have no colored members but explained this by declaring that in some areas, colored policemen can work better than white.

He said there seemed to be

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less chance of tensions and troubles when we have colored officers working in a heavily populated colored precinct.

Rewards Ability

"I'm not trying to change the social setup," he said. "I am trying to do the best job possible."

The chief said that he has always based promotion recommendations on "demonstrated aptitude and ability."

He said he had never hinted to the Civil Service Commission, which conducts for police promotions, "of anyone else who wanted a fixed policy of 10 per cent Negroes in the department. NAACP attorneys have sought to show that the colored proportion has stayed at about 10 per cent for the last several years, apparently as a matter of policy.

Regarding any such policy, the chief said:

"I've never heard of it before in my life."

The chief testified that whenever any complaint of alleged police brutality occurs, it is automatically investigated by high police officials, with a report direct to him.

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NAACP cases of alleged police brutality were subsequently investigated by the Federal Bureau of Investigation with police department co-operation, he said. The Justice Department subsequently announced that the FBI investigation had disclosed no basis for prosecution of any civil rights violations in the cases.

Nothing to Conceal

"You had nothing whatever to conceal?" asked Chief Murray's attorney.

"Nothing whatever," Chief Murray replied.

Mr. Robb said NAACP spokesmen had testified in the current hearings that the police department ought to refer all brutality complaints against policemen to a police trial board even if there were only one or two affidavits from witnesses and without an investigation by the police department.

"That would be ridiculous," Chief Murray said, adding that it would be unfair to both the public and policemen if the department made no attempt to check the truth of brutality allegations before taking disciplinary action against the police involved.

Complaint Procedure

The chief said that when a complaint of alleged brutality by a policeman is made it is automatically referred to the inspector in charge of the district to which the policeman is assigned. Then the captain supervising the officer, he said, makes a thorough investigation, and the results are reported back to Chief Murray himself.

The investigation, the Chief said, includes interviewing all witnesses, taking typewritten statements, an effort to locate any other witnesses available, and a resulting report with recommendations for action.

The complaint review board, Chief Murray explained, is a group of three outstanding citizens—not Police Department employes—which hears cases, takes testimony and makes recommendations as to whether or not the cases merit trial board action.

Move for NAACP Probe

Meanwhile, the possibility of a congressional inquiry into NAACP "interference" with the Police Department was growing stronger. Chairman McMillan of the House District Committee, replying to a suggestion by Representative Broyhill, Republican of Virginia, that a subcommittee take up such an investigation, said he would have that move.

Chairman McMillan said he would discuss with other committeemen an inquiry into the NAACP charges against the chief.

Now in their seventh day, the NAACP hearings have disrupted law enforcement, damaged morale and given lawbreakers a "heyday," said Mr. McMillan, Democrat of South Carolina.

Seek to Halt Activities

NAACP charges that Chief Murray tolerated discriminations within the force should have been dismissed immediately after the FBI completed its study of the charges, Mr. McMillan said in a letter to Representative Broyhill.

Mr. Broyhill recently asked Chairman McMillan if a subcommittee headed by Representative Davis, Democrat, of Georgia, shouldn't go into the NAACP-Murray controversy. Representative Davis already has been assigned to probe health, building and finance problems of the District.

Mr. McMillan said he had discussed this with Mr. Davis. He said he hoped several other members of the committee, including Mr. Broyhill, could meet with him and Mr. Davis soon "in an effort to see that activities of the NAACP are discontinued immediately."

Recalling recent legislation improving police retirement and salaries, Mr. McMillan noted both moves were aimed at improving morale.

Diverted From Duties

"Now we have a private organization completely killing the morale of the department," he said. "As proof of the fact I have just read in the newspapers that a colored man driving a stolen streetcar wrecked several automobiles and could have killed hundreds of persons during his wild chase. Also, I have just read that two colored men held up another streetcar.

"You can see that lawbreakers in the District are having a heyday at this time, while the many police captains are being taken away from their duties to answer silly inquiries made by the NAACP organization," he said.

In his letter to Mr. Broyhill he voiced surprise that the Commissioners had ordered police files opened to the NAACP. This could be a precedent, he said, arguing that such groups as the American Legion, the White Citizens Councils and the District Citizens Associations had as much right to the files as the NAACP. In South Boston, Va., Senator Harry F. Byrd told a Democratic rally that the NAACP has grown so powerful under sponsorship of the Federal Government that it has been granted the privilege of questioning individual policemen as to how they obtained their evidence.

This Senator Byrd said, would give the NAACP a privilege that a United States Senator does not have. It is the equivalent of permitting the private questioning of FBI agents without the authority of J. Edgar Hoover."

Beatings Discussed

Two alleged beatings—one of Bernard Ayres, 24-year-old waiter, and Blanche O. Price, 30-year-old prisoner at the Occoquan Workhouse—were discussed fully yesterday.

Mr. Ayres, who appeared first on Tuesday as a surprise witness, still was wearing patches on his cheek. There were 10 stitches in a shaved portion of his head.

The wounds were inflicted by police Pvt. Martin J. Hannon, who broke his nightstick over Mr. Ayres' head about dusk last Monday in the 1900 block of Fourteenth street N.W.

"Yes sir, I certainly did hit him," Officer Hannon testified. "And I did it to prevent injury to myself. I don't appreciate anybody twisting my head around."

He maintained that Mr. Ayres was "staggering drunk" at the time and had whirled around "like a crazy man." After Officer Hannon arrested Mr. Ayres for drunkenness, the prisoner closed his right fist, twirled around the officer and looped his arm around his neck, Pvt. Hannon said.

Testimony of Officer Hannon was substantiated by three other officers on the scene, all colored—Pvts. Aaron G. Archer, Alphonso H. Lyons and William E. Hudson.

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Wash. Post and Times Herald
Wash. News
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fidence" in FBI investigations of police brutality charges.

The NAACP has put a great deal of emphasis during the hearings on 11 cases of alleged police brutality. The FBI investigated the cases at the request of the Commissioners and said it could find no violation of civil rights.

Spottswood said that he and a group of Negro civic leaders had conferred with the Commissioners in 1952 about allegations of brutality and discrimination and had suggested at that time a training program in human relations for policemen.

Newspapers Criticized

Thurman L. Dodson, chief NAACP attorney, in a summary statement charged that Washington's three daily newspapers had "in a most unethical fashion sought to prejudice the case" through editorials which were critical of the NAACP case. Later Robb defended the papers declaring that they saw that "two and two make four and had the courage to say so."

Dodson referred to Murray's grade school education during his statement and said the Police Chief has "outlived his usefulness."

He said that "50 years ago a chief with an eighth grade education was all right but in a complex atomic and sputnik age, he is totally lacking."

The NAACP attorney also charged the Police Chief with a "callous disregard for a certain segment of the population" and said he had covered up for his men.

Cites Civil Service Role

Robb in his final statement said that the NAACP had charged police brutality, but had failed to produce witnesses to support the charge, and had complained that the Police Chief condoned discrimination in appointments knowing that the Civil Service Commission and not the Police Chief control appointments. He said the NAACP had protested because more Negroes have not been promoted when the facts show that on the 1955 exam only five of 60 Negroes passed the Civil Service written exam for promotion.

Robb declared that the NAACP also failed to prove discrimination in assignments.

Robb said that Dodson has an "intellectual snobbery" about Murray's education and said "Chief Murray on the witness stand demonstrated he is an educated gentleman."